

2 items
only



HD
7123
.A39
no. 25-27





Social Welfare Expenditures



5/6/14

Under Public Programs
in the United States
1929-1966

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE



SOCIAL SECURITY ADMINISTRATION

Office of Research and Statistics

Research Report No. 25



D
123
A39
no.25

SOCIAL WELFARE EXPENDITURES UNDER PUBLIC PROGRAMS IN THE UNITED STATES, 1929-66

by IDA C. MERRIAM

and

ALFRED M. SKOLNIK

DEPARTMENT OF
HEALTH, EDUCATION AND WELFARE

NOV 14 1968

LIBRARY

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
SOCIAL SECURITY ADMINISTRATION • OFFICE OF RESEARCH AND STATISTICS

Research Report No. 25

Library of Congress Catalog Card Number: HEW 68-20

United States
Government Printing Office
Washington : 1968

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402 Price \$2

PREFACE

BEFORE SOCIAL change can be measured or progress toward a social goal determined, it is first necessary to develop data for use in analyzing where we are and the path over which we have come.

This monograph presents historical and trend data that measure one significant aspect of recent social change—the growing involvement of government, and increasingly the Federal Government, in social welfare programs and activities. Rising expenditures in this sector have resulted from many different pressures and needs. Public education and public health activities date back almost to the beginnings of the Nation and continue to be among the most important functions of State and local governments. In recent years, these activities have moved toward the center of national attention and concern as well. Income security in old age, and in the event of disability, death, or unemployment has taken on major significance as industrialization and urbanization have made more and more families dependent on a current money income. Today it is difficult to think of the economy functioning without the balance wheel of social security. Population gains and rural-to-urban migrations have also made necessary many other specialized and separately administered programs.

The social welfare expenditure data relate only to public programs that are directly concerned with income security, and the health, education and welfare of individuals and families. They do not include community-wide utilities and services—such as water and sewer works, urban transportation or public recreational facilities. Nevertheless, by fiscal year 1967 social welfare expenditures as measured here amounted to more than \$100 billion annually, represented 13.1 percent of the gross national product, and accounted for 42.5 per-

cent of all government expenditures.

Expenditures by themselves do not tell us many things we need to know—about the extent of protection against particular risks, about the quality of services, about the distribution of benefits, about unmet needs. Without the aggregate data, however, many essential analyses would be impossible or would lack a suitable framework for comparison. The Social Security Administration has developed a number of other series and has undertaken a variety of special studies designed to answer some of these analytic questions. The social welfare expenditure series remains an important tool and indicator.

In successive annual articles in the *Social Security Bulletin*, beginning in 1951, the conceptual basis and the major technical problems and decisions underlying the series have been presented. The annual articles also include—but this monograph does not—estimates of corresponding private expenditures for health, education, and income security.

This monograph has two major purposes. It makes available revised year-by-year estimates of expenditures under all the programs included in the series for the period 1929–66. The annual *Bulletin* articles have shown historical data at 5-year intervals and the published figures have incorporated any improvements in the estimates or modifications of definitions only for such years. The tables, which appear in Part III, contain a separate breakdown of the costs of administration, thus making possible analysis of transfer payments and the costs of services where these can be distinguished from overall administrative costs.

The second purpose of the monograph is to provide the users of the series with a full explanation of the definitions, sources of data, and methods of estimation. In a historical series

these may be different for different periods. Descriptions of the changing provisions of the major programs are included to explain the technical meaning of the data and, more important, to help interpret trends.

The monograph demonstrates the magnitude of the task involved in the development of a series such as this. In a pluralistic and experimental society with a Federal form of government, statistical aggregates that reflect with accuracy the happenings in broad fields require continuing hard work and detailed attention.

It is impossible to list here all of the individuals who have had some part in the development of the series. The underlying concepts and methodology have been reviewed by distinguished scholars from universities, from the United Nations, and elsewhere. A special advisory group made suggestions and recommendations as early as 1958. Individual experts have advised us since then and in recent years the Advisory Committee on Research Development has looked at this as well as the other activities of the Office of Research and Statistics.

While the basic structure of the series and the annual interpretation of trends have been primarily the responsibility of the present Assistant Commissioner for Research and Statistics, other ORS staff members have played a major role in shaping the material. This monograph was prepared under the general direction of Alfred M. Skolnik, who was assisted by Sophie R. Dales in the later stages of review of the entire series and manuscript. S. Marjorie Johnston, the head of the ORS Statistical Processing Staff in Washington, was responsible for the gathering of the statistical material for this monograph (as well as the preparation of tables accompanying the annual *Bulletin* articles for the past several years). She was aided by Mary K. Chambers, Ruth Patterson Rich, and Janie C. Coles.

The monograph has been in preparation for several years. Many people have been involved in the review and revision of earlier estimates and the writing of the text for specific sections. Mr. Skolnik had the major responsibility for preparing the social insurance chapter. Major parts of this chapter were written by Mrs. Dales,

with the assistance of Marilyn J. Etchison. The chapter on public aid is largely the work of Ruth S. Hanft. The health and medical data were developed primarily by Dorothy P. Rice, with the help of Mrs. Hanft, who drafted the chapter on health and medical programs. The chapter on veterans' programs was prepared by Mrs. Dales; special techniques for developing the data were devised by S. Marjorie Johnston in cooperation with the Veterans Administration. Thomas A. Clary worked with staff members of the Office of Education to revise the education figures and he also drafted the text for this chapter. A number of the staff members already named worked on the "Other social welfare" chapter. Temporary technical help was provided by Ruth A. Berman on the early figures for housing. That chapter of the monograph was written by Mr. Skolnik.

During the years that the social welfare series has been published, a number of other staff members—some of whom were summer employees—contributed to the development and refinement of the series. Without attempting to identify their particular contributions, I would like to express my appreciation to those who played a significant role by listing their names chronologically, according to when they worked on the material: Amy W. Firfer, Cecile G. Smull, Thomas Karter, Fred R. Brown, James C. Callison, John R. Labovitz, Henry C. Binford, Betty S. Rasmussen, Margaret E. Halligan, Julius W. Hobson, Stephen H. Oleskey, Alice J. Rarig, Kathleen Myers, Manuel Smith, John Evans, Katherine B. Ely, Barbara S. Cooper, and Robert E. Marsh, who did the final editing and production work on the monograph.

I would also like to acknowledge the editorial efforts of Dorothy M. Belzer in transforming the enormous amount of complex statistical material gathered for this monograph into manageable and understandable tables. A thank-you note is also in order for the assistance of those agencies that furnished historical data and checked the accuracy of material relating to their particular programs.

The revised data reflect many refinements in methodology as well as new data sources uncovered and some new groupings of programs. However, the basic trends and relationships set

forth in the annual *Bulletin* articles have not been affected to any degree, nor has the general magnitude of the figures. The monograph carries the detail data through the fiscal year ending June 30, 1966 (although the summary tables contain data for fiscal year 1967). The descriptions of the programs and the organizational structure and titles of administrative agencies relate to the situation as of 1966. Thus, the administrative reorganization of August 1967 in the Department of Health, Education, and Welfare that created the Social and Rehabilita-

tion Service is not reflected. New social welfare programs and changing program relationships may in the next few years lead to some regrouping of categories, and data for the most recent years of the series are always subject to revision. However, since we are satisfied that another look is not likely to produce any better figures, we do not anticipate any further revisions in early-year data. We trust the potentially important uses of the data will more than justify the effort and cost that have gone into this publication.

IDA C. MERRIAM,

Assistant Commissioner for Research and Statistics.

MARCH 1968.

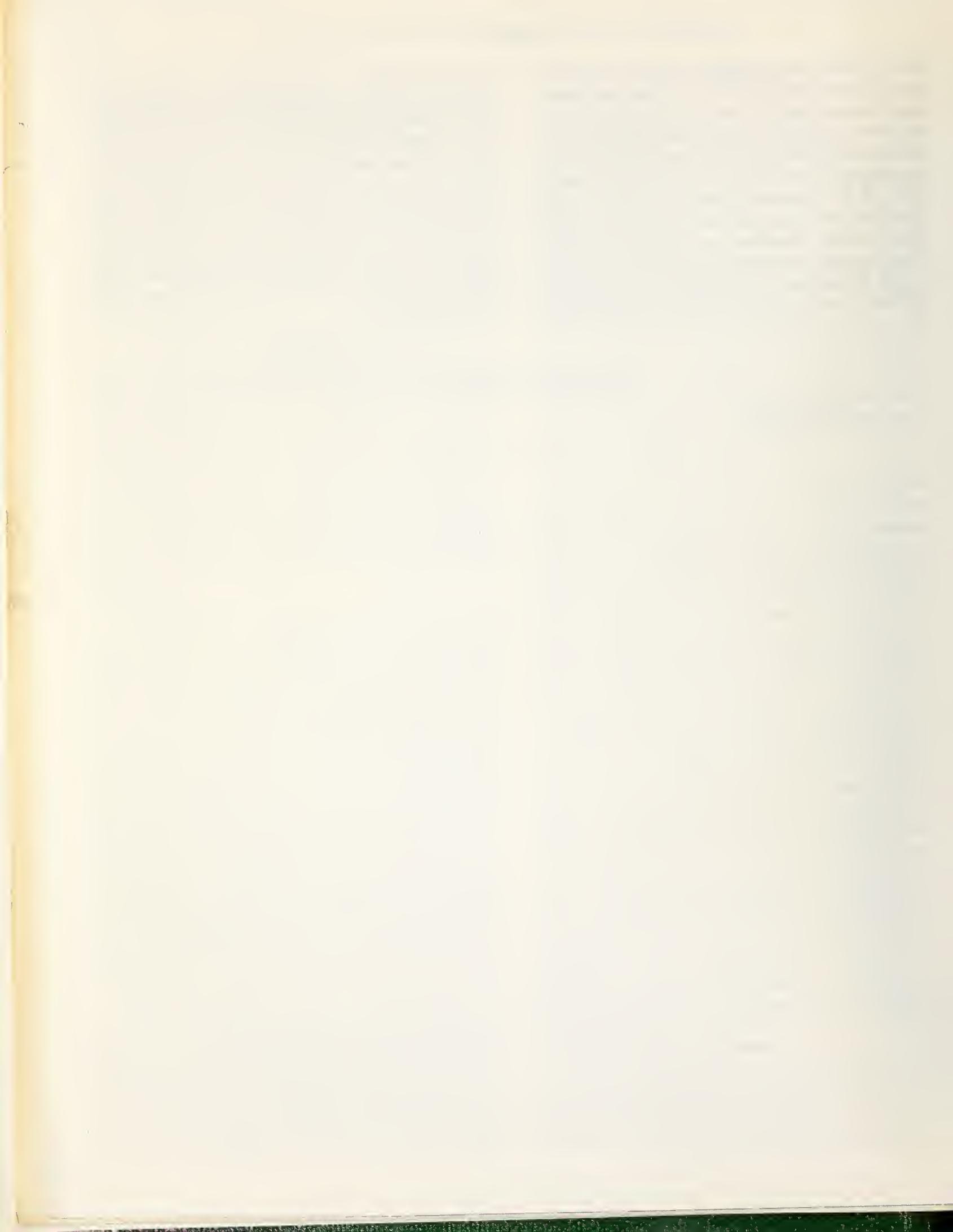


TABLE OF CONTENTS

	Page
Preface	iii
List of Charts	ix
PART I: AN INTRODUCTION AND OVERVIEW	1
1. THE DEVELOPMENT OF SOCIAL WELFARE PROGRAMS.....	3
2. CHARACTERISTICS OF THE SERIES.....	7
3. HISTORY OF THE SERIES.....	9
4. DEFINITIONS AND CONCEPTS.....	11
Income-Maintenance Programs	11
Health and Medical Programs.....	13
Education Programs	13
Housing Programs.....	14
Military Expenditures.....	14
Veterans' Benefits.....	16
Other Social Welfare.....	16
5. PROBLEMS OF CLASSIFICATION.....	17
Income-Maintenance Programs	17
Health Items.....	18
Education Items	19
Antipoverty Programs	20
6. TECHNICAL ASPECTS	21
Expenditures vs. Obligations	21
Treatment of Loans.....	22
Treatment of Expenditures Outside the United States.....	23
7. CURRENT REVISIONS IN THE SERIES.....	25
PART II: THE PROGRAMS, EXPENDITURES, AND SOURCES OF DATA	29
1. SOCIAL INSURANCE	31
Old-Age, Survivors, Disability, and Health Insurance.....	33
Railroad Retirement.....	39
Public Employee Retirement	42
Unemployment Insurance and Employment Service.....	55
Railroad Unemployment Insurance	60
Railroad Temporary Disability Insurance.....	62
State Temporary Disability Insurance.....	64
Workmen's Compensation	67
2. PUBLIC AID	73
Public Assistance.....	73
Other Public Aid.....	86
3. HEALTH AND MEDICAL PROGRAMS.....	99
Hospital and Medical Care.....	102
Programs for Maternal and Child Health.....	110
Medical Research.....	112
School Health	114
Other Public Health Activities.....	114
Medical-Facilities Construction	120

	Page
4. VETERANS' PROGRAMS.....	127
Pensions and Compensation.....	128
Health and Medical Programs.....	133
Education	136
Life Insurance	138
Welfare and Other (Federal)	141
Welfare and Other (State)	145
5. EDUCATION	147
6. HOUSING	161
7. OTHER SOCIAL WELFARE.....	169
Vocational Rehabilitation.....	169
Institutional Care (Federal)	174
Institutional Care (State and Local).....	176
School Meals.....	179
Child Welfare Services.....	182
Special OEO Programs.....	183
Social Welfare, Not Elsewhere Classified.....	184
<i>PART III: STATISTICAL TABLES, 1929-66.</i>	187
Summary Tables	189
Social Insurance.....	195
Public Aid	207
Health and Medical Programs.....	214
Veterans' Programs	231
Education	236
Housing	246
Other Social Welfare.....	248

LIST OF CHARTS

	Page
1. Distribution of social welfare expenditures by program, in current dollars, 1929-67	4
2. Social welfare expenditures by source of funds, in current dollars, 1929-67	7
3. Social welfare expenditures as a percent of gross national product, 1929-67	8
4. Per capita social welfare expenditures in actual and constant 1967 dollars, 1929-67	15
5. Percent distribution of social welfare expenditures by program, selected years, 1929-67	19
6. Social welfare expenditures by program and source of funds, selected years, 1929-67	27
7. Gross national product, total social welfare expenditures, and social insurance expenditures, in constant 1967 dollars, 1929-67	32
8. Growth in aggregate dollar amounts of expenditures for total social welfare, social insurance, and OASDHI, 1929-67	36
9. Per capita expenditures in constant 1967 dollars for total social welfare and social insurance, 1929-67	40
10. Gross national product, total social welfare expenditures, and public aid expenditures, in constant 1967 dollars, 1929-67	74
11. Per capita expenditures in constant 1967 dollars for total social welfare and public aid, 1929-67	83
12. Growth in aggregate dollar amounts of expenditures for total social welfare, public aid, and public assistance, 1929-67	84
13. Gross national product, total social welfare expenditures, and expenditures for health and medical programs, in constant 1967 dollars, 1929-67	100
14. Per capita expenditures in constant 1967 dollars for total social welfare and health and medical programs, 1929-67	104
15. Growth in aggregate dollar amounts of expenditures for total social welfare, health and medical programs, and hospital and medical care, 1929-67	107
16. Gross national product, total social welfare expenditures, and expenditures under veterans' programs, in constant 1967 dollars, 1929-67	128
17. Growth in aggregate dollar amounts of expenditures for total social welfare, veterans' programs, and veterans' pensions and compensation, 1929-67	130
18. Per capita expenditures in constant 1967 dollars for total social welfare and veterans' programs, 1929-67	132
19. Gross national product, total social welfare expenditures, and expenditures for education, in constant 1967 dollars, 1929-67	148
20. Growth in aggregate dollar amounts of expenditures for total social welfare, education, and elementary-secondary education, 1929-67	149
21. Per capita expenditures in constant 1967 dollars for total social welfare and education, 1929-67	156
22. Gross national product, total social welfare expenditures, and expenditures for housing, in constant 1967 dollars, 1929-67	162

	Page
23. Growth in aggregate dollar amounts of expenditures for total social welfare, housing, and public housing, 1929-67.....	164
24. Gross national product, total social welfare expenditures, and 'other social welfare' expenditures, in constant 1967 dollars, 1929-67.....	170
25. Growth in aggregate dollar amounts of expenditures for total social welfare and 'other social welfare,' 1929-67.....	171
26. Per capita expenditures in constant 1967 dollars for total social welfare and 'other social welfare,' including housing, 1929-67.....	177

PART I

AN INTRODUCTION AND OVERVIEW

The past century has been marked by a phenomenal increase in productivity, the diversity of goods and services generally available, and the total national output of this country. These changes have been accompanied by a large increase in the share of the national output devoted to social welfare programs.

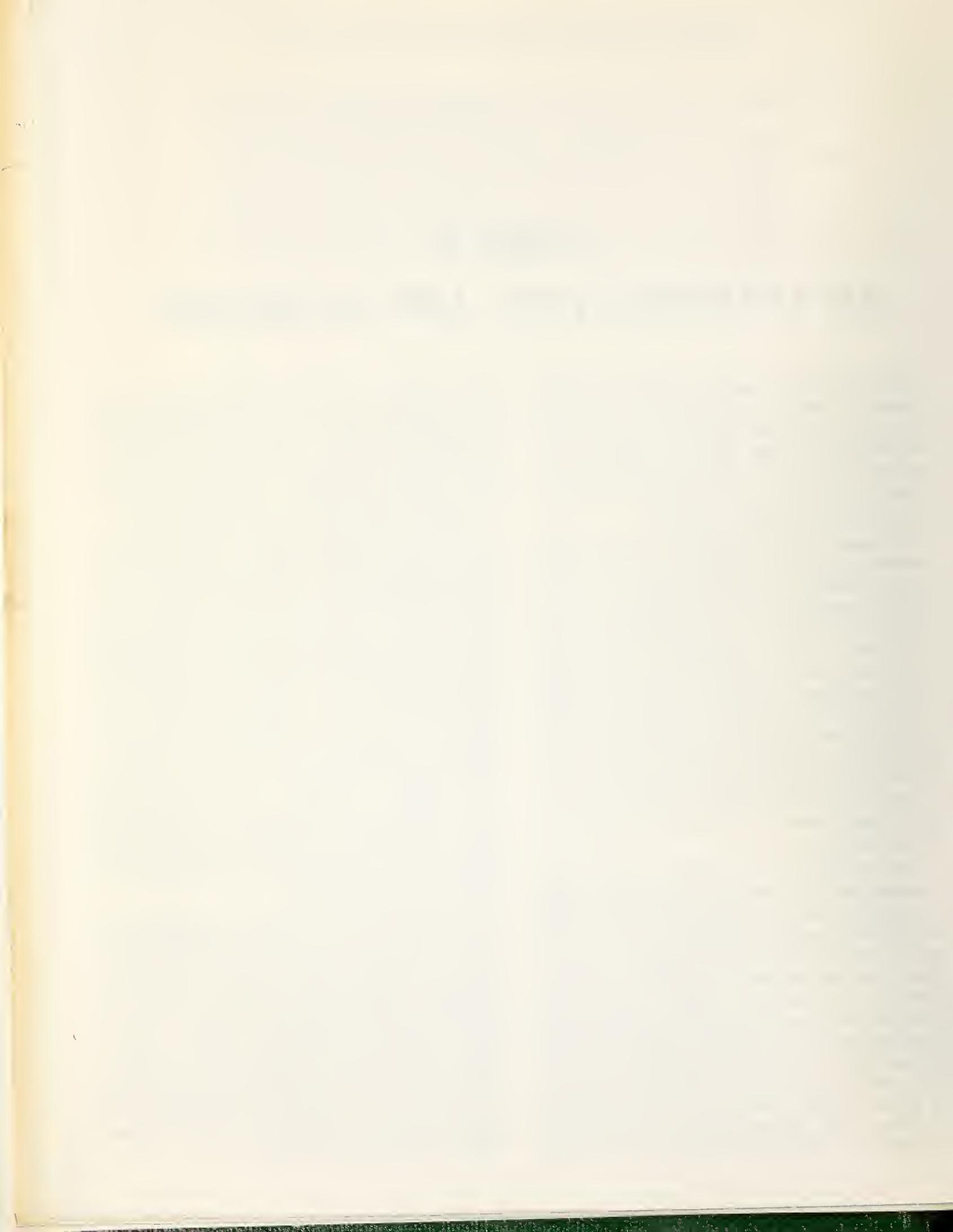
Although social welfare has been a public concern throughout the history of the Nation, early programs were primarily local in scope. Rapid urbanization of the population and other changes in the pattern of American life brought with them a need for broadly organized public programs. Social welfare expenditures became truly significant in the 1930s, when the Federal Government began a host of programs to aid the victims of the depression. The subsequent introduction and expansion of social security, a rise in outlays for education and health, postwar veterans' benefits and other factors have led to a steady increase in the sums allocated for social welfare.

The growth in social welfare services has coincided with the economy's increasing ability to provide them. From fiscal 1929, the first year of the social welfare statistical series, to fiscal year 1966, expenditures under public programs rose from \$3.9 billion to \$88 billion. As a percent of gross national product, however, the rise was only from 3.9 to 12.3 percent, reflecting the high level of productivity enjoyed in recent years. Most of the 21-fold dollar increase has occurred since the end of World War II. In the 5 years between 1945 and 1950, expenditures increased 155 percent and, in the following decade, more than doubled again—rising from

\$23.5 billion in fiscal year 1950 to \$52.3 billion in 1960. Since 1960 the average increase has been almost \$6 billion a year. Even when corrected for increases in prices and in population, social welfare expenditures per capita were more than twice as large in 1966 as in 1950.

Part I of this report begins with a brief overview of the development of social welfare programs in this country, particularly since 1929. This is followed by a discussion of the social welfare series itself: its characteristics and history, the definitions and concepts employed, problems encountered in classification, technical aspects, and current revisions. Parts II and III are divided into seven sections, one for each of the major components included in the social welfare expenditure series—social insurance, public aid, health and medical programs, veterans' programs, education, housing, and other social welfare. In Part II the programs and their development are described in detail, the nature and basis of the data are explained, and data sources are summarized. Part III presents the data in tabular form.

The detailed tables present year-by-year data from fiscal year 1929 through 1966. The five summary tables in the first section of Part III include preliminary estimates for 1967, already published in the December 1967 issue of the Social Security Bulletin. An estimate of total social welfare expenditures as a percent of the gross national product is presented in summary table III for the years 1890 and 1913 as well as for 1929–67. The program descriptions and textual discussions, like the detailed tables, relate to the period 1929–66.



Chapter 1

THE DEVELOPMENT OF SOCIAL WELFARE PROGRAMS

THE RAPID growth of social welfare programs since the turn of the century reflects the dramatic changes that have taken place within the framework of American society. The shifts from rural to urban living and from a predominantly self-sufficient or barter economy to a predominantly money and credit system have not only created new risks to family security but have also lessened the ability of families to take care of their own members. The large family group that houses, feeds, and cares for distant as well as immediate relatives who are sick, old, or orphaned is today virtually only a memory. Increased mobility, the lure of new jobs and new communities, and the smaller quarters available in urban housing, as well as the increasing number of necessities that are to be had only in exchange for money, have helped to break up the old patterns of family and neighborhood support. Social insurance and public assistance programs were introduced in the United States and other advanced nations to provide a means of protection against these new risks and a more broadly organized method of channeling the Nation's current output of goods and services to those who at a particular time are nonproducers.

Another factor contributing to the growth of social welfare programs is the remarkable progress that has been made in medical science and technology. One reason the Nation spends much more on public health today than it did 60 or 70 years ago is because we now know a great deal more about various diseases and their prevention and control. Because knowledge of what health programs can accomplish has become widespread, every lifesaving discovery, every advance in rehabilitation techniques, brings with it pressures to make these services

available to all those who need them. Science has transformed medical care from a personal art into a highly organized and multi-faceted discipline.

Advances in science and technology also have been at least partly responsible for continuing expansion in the area of public education. The United States was the first major country to adopt the goal of universal free public education, but for many years this meant elementary education; relatively few children went on to high school or college. Around 1900 there began a tremendous upsurge in secondary education, including both an increase in attendance and a broadening of the curriculum base, until now it is almost taken for granted that a child will finish high school. Today a somewhat similar phenomenon is taking place at the college level. The skills and competencies required in a technologically developed society are giving both a new character and a new importance to higher education.

Finally, urban and suburban living have created new demands for socially organized health and welfare services. Rising levels of living have brought to the fore the problems of groups with special handicaps and unusual needs and have made possible a variety of special services for them.

Social welfare programs have existed in this country since colonial days. When society was largely rural and economic organization relatively simple, however, the circumstances under which government was called upon to safeguard or promote social welfare occurred less frequently than is true today. In the early years of the Republic, security for the dependent members of society—children, old people, the sick and disabled—was regarded as primarily

the responsibility of the family, backed by the mutual assistance of neighbors and friends. The local community had final responsibility for the destitute.

The 19th century witnessed a steady growth, first of local action and then, from about the middle of the century, of State action in the fields of welfare, health, and education. State governments initiated special institutional arrangements for the blind, the deaf, the mentally retarded, and the "insane." As the result of the public health movement that got under way in the last half of the century, provision of environmental sanitation and general public health services gradually became an accepted function of State and local governments in most parts of the country. Following the passage, in Massachusetts in 1852, of the first compulsory attendance law, the movement for tax-supported public schools available to all groups and classes received increasing support.

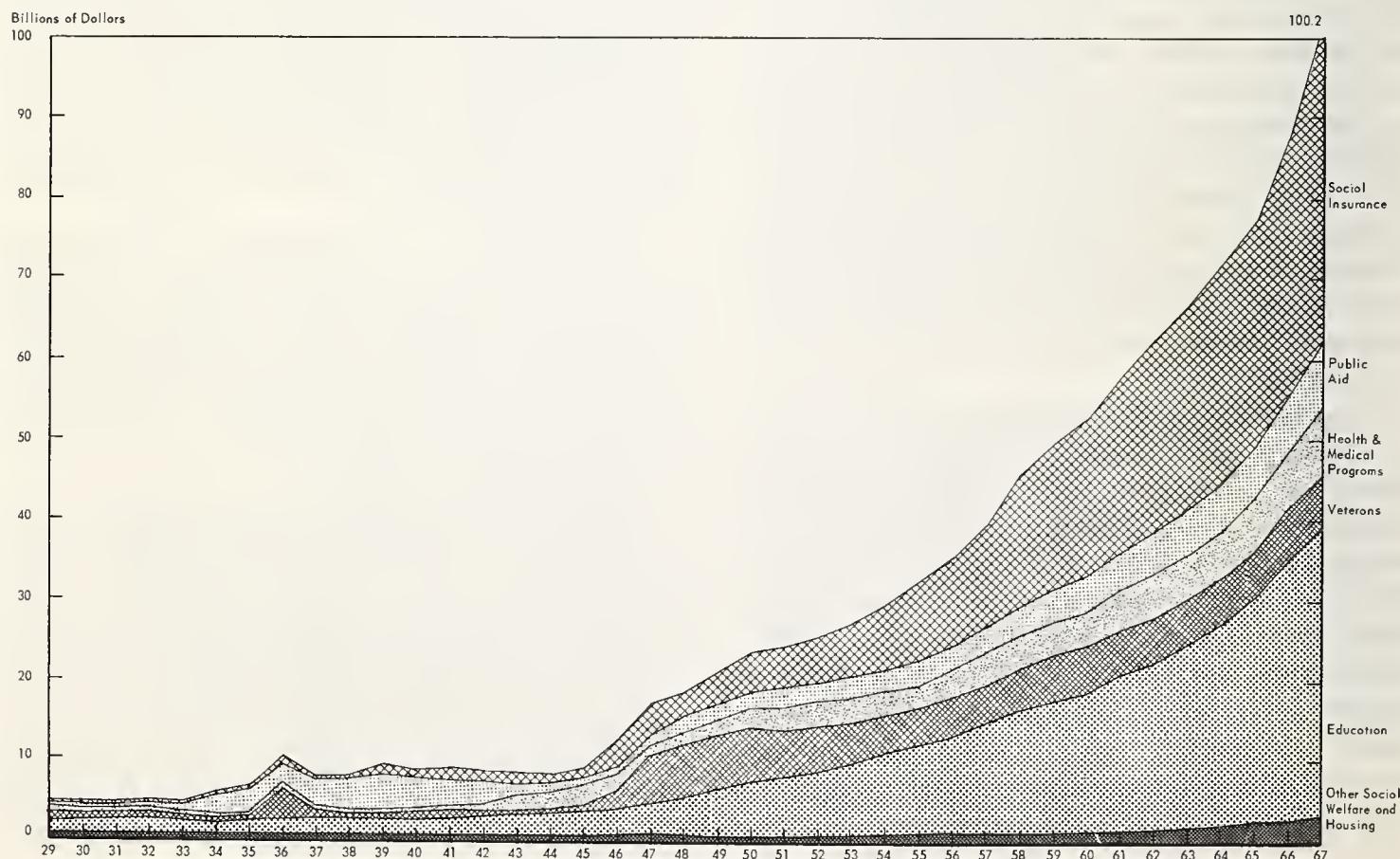
The adoption of workmen's compensation legislation in most States and the introduction of retirement systems for State and local gov-

ernment employees in the first and second decades of the 20th century represented the beginning of social insurance for workers. This period also saw the beginning of modern public assistance programs, with the development of State mothers' aid and later State old-age pension laws.

Although State and local governments carried the major responsibility for the various social welfare programs throughout this period, the Federal Government also became involved with them at an early date. Before the end of the 18th century the Federal Government began setting aside land from the public domain for the support of public education, established quarantine regulations and a marine hospital service, and began the payment of pensions to veterans and their survivors.

Despite further advances in the 19th century, however, the Federal role remained a minor one. In fiscal 1929, the first year of the social welfare series, Federal expenditures, primarily for veterans' benefits and Federal staff retirement systems, accounted for only one-fifth of

Chart 1.—Distribution of social welfare expenditures by program, in current dollars, 1929–67



the total. By far the largest single component of the series was expenditures for public education, practically all of which came from State and local funds.

Not until the depression of the 1930s did the Federal Government assume any major responsibilities for social welfare measures. In 1933 the Federal emergency relief program began to take over the mounting load of support for the unemployed and in 1935 the Social Security Act established a national system of old-age insurance, a Federal-State system of unemployment insurance, and a Federal program of grants-in-aid to strengthen State public assistance and other programs, including public health, vocational rehabilitation, and special health and welfare programs for children.

As a result, public aid became the largest single component of the social welfare series in the pre-World War II years, accounting for about 4 percent of the gross national product. This ratio was almost as large as that for all social welfare expenditures during the high point of the war, when there was a tremendous increase in the proportion of national output directed to military purposes, and increased employment opportunities and larger family incomes helped to hold down social insurance and public assistance expenditures.

The two decades since the end of World War II have witnessed a relative though not an absolute decline in public aid; a steady rise in social insurance payments, largely as the result of the expansion and maturing of the old-age, survivors, disability, and health insurance (OASDHI) program; and an increasing proportion of the Nation's output channeled into education. Expenditures for veterans' programs, which were increased sharply to provide veterans of World War II education and other benefits, have generally leveled off since the peak years of the late 1940s.

From 1946 to 1966 the share of total national output allocated to social insurance and education grew to almost three times what it was at the start. Expenditures for health programs accounted for only slightly more of the gross national product in 1966 than in 1946. However, rising expenditures for medical care under other public programs, notably public assistance and veterans' programs, had increased the

proportion of gross national product used for all publicly supported medical care by almost 50 percent.

The growth in social welfare expenditures has resulted partly from growth in population, partly from rising prices, and partly from an expansion of the number and the scope of programs and services. From 1929 to 1966, the population of the United States increased 61 percent, and the proportion of people over age 65 or under age 18 rose from 40 to 45 percent of the total. Prices, as measured by the implicit price deflator for personal consumption expenditures, increased 98 percent during the same period.

Even after allowing for price changes, however, per capita social welfare expenditures in fiscal year 1966 were approximately 600 percent greater than in 1929 and more than 100 percent greater than in fiscal year 1950. This is a true measure of the increase in the level of publicly financed social welfare cash and service benefits.

The growth of Federal social welfare programs, however, has not greatly diminished the role of the States in this area. In 1966 about 48 percent of all public expenditures for social welfare came from State and local funds and 52 percent from Federal funds. State and local expenditures amounted to 51 percent in fiscal year 1935 and to 56 percent in 1954, a peak postwar year for State and local spending in relative terms. Many of the Federal programs take the form of financial aid and grants, leaving program administration to the States and localities; in fiscal year 1966, about one-sixth of the Federal expenditures were of this type. If consideration is given to this fact, about 57 percent of total public expenditures for social welfare in fiscal year 1966 was for programs administered by State and local governments.

The distribution between Federal and State-and-local spending differs considerably among the various components of the series. Veterans' programs, for example, are over 99 percent federally financed, although in the immediate post-World War II years the ratio was somewhat lower because of bonus payments by States. In 1966 four-fifths of all social insurance expenditures were made by the Federal Government and the ratio would be higher if State unemployment insurance benefits were

considered a Federal expenditure (as they are in some series because the trust funds are held by the Federal Treasury). Three-fifths of public aid expenditures currently come from Federal sources, reflecting gradual increases from the postwar low of 39 percent in fiscal year 1946.

On the other hand, education and health-and-medical-care programs are still financed mainly by State and local sources, although the trend is toward increased Federal participation. In fiscal year 1966, State and local governments provided 86 percent of the funds for public education; in fiscal year 1950, the ratio was 98 percent. State and local expenditures for health and medical programs amounted to 53 percent of the total in fiscal year 1966; in fiscal year 1950, the ratio was 71 percent. (By 1967, as a result of the new Medicare program, Federal expenditures were 51 percent of all health expenditures.)

Social welfare expenditures can be seen in another perspective if they are considered in relation to government spending in general. Although appropriations for social welfare programs have increased markedly since fiscal year 1929, there also has been a great expansion in other functions of government during the period, especially national defense. Thus, in fiscal year 1966, social welfare expenditures from public funds represented 43 percent of all Federal, State, and local expenditures, a ratio not too much higher than the 37 percent recorded for fiscal year 1929. Social welfare expenditures in fiscal year 1966 represented a smaller proportion of all government spending than it did during the 1930s. In the State and local sector alone, the proportion of total spending for social welfare purposes has remained fairly stable over the past 15 years.

In the United States and other nations, social welfare programs have developed in response

to national needs that could only be met on a broad basis through government action. In none of the specific areas of concern, however, does government carry sole responsibility. Individual action and organized private action underpin or supplement community action in every field. Public expenditures for social welfare have been accompanied by a parallel growth in private spending for health and education, by individual efforts at promoting security through savings and insurance plans, and by voluntary welfare activities. Especially indicative of the role played by the private sector is the tremendous growth in private pension, health, and welfare plans set up either under collective bargaining or unilaterally by employers.

The relative roles of public and private programs and expenditures vary considerably, however, by type of expenditure. Private expenditures are identified in the Social Security Administration series¹ as direct consumer expenditures for medical care and education, expenditures of private employee benefit plans (including group life and health insurance plans for government employees), industrial in-plant health services, private health insurance benefits and the cost of providing such insurance protection, and expenditures for health and welfare through philanthropy. In recent years, private expenditures for health, education, and welfare have been about one-third of the combined public and private total. In the health area, private expenditures account for the largest part (about 75 percent in 1966), but for education and for welfare, private expenditures represent only a small portion (about 15 percent) of the total.

¹ For trend data, see annual articles in the *Social Security Bulletin*.

Chapter 2

CHARACTERISTICS OF THE SERIES

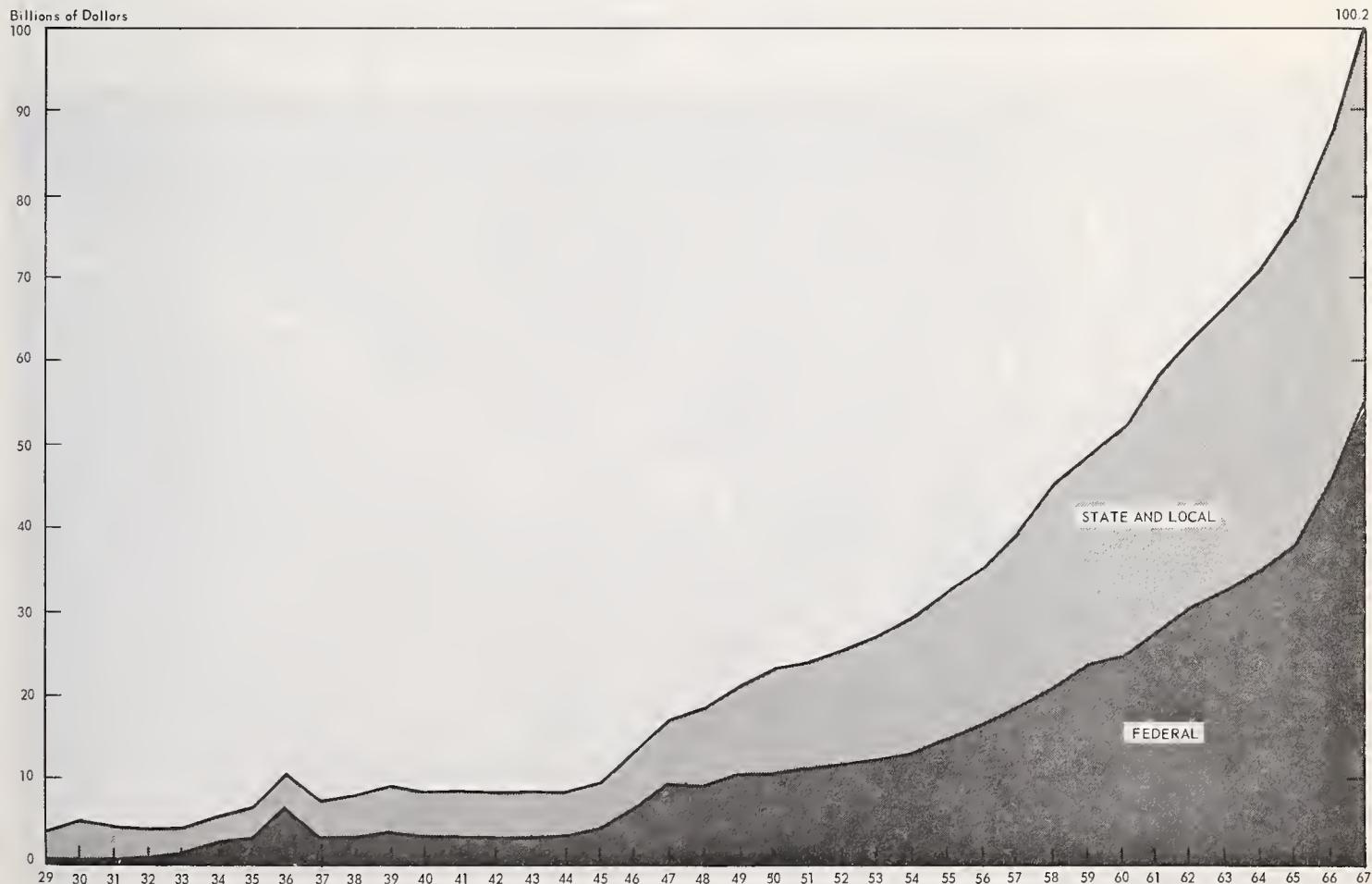
THE SOCIAL WELFARE expenditure series was developed in order to provide a basis for measuring changes in the share of the total national output devoted to social welfare purposes, to help determine the impact of such programs on government finances, and to answer related questions. It measures direct expenditures from public funds or under public programs; indirect welfare benefits therefore are not included. Examples of the latter are indirect subsidies

for certain types of welfare benefits or expenditures through income-tax allowances and deductions. The largest of such tax subsidies for welfare purposes in the United States relate to medical expenditures, employer contributions to private employee-benefit plans, and exemptions for dependents.

The major characteristics of the series may be summarized as follows:

- (1) The data encompass expenditures for

Chart 2.—Social welfare expenditures by source of funds, in current dollars, 1929–67



the major public programs of income maintenance, health, education, housing, veterans' programs, and other welfare services directed specifically toward promoting the economic and social well-being of individuals and families. In general, the series excludes community services such as urban transportation, water and sewer works, recreational facilities, and other government activities that indirectly promote the welfare of individuals, such as law enforcement, the promotion of economic growth and price stability, depressed area legislation, or the setting of standards, even though such activities may have important social welfare aspects or consequences.

(2) The series is on a fiscal-year basis (July 1-June 30) and includes expenditures from trust funds as well as from general revenues.

(3) The expenditures in the basic series are grouped on the basis of statutory programs and administrative structure. The data are presented with sufficient breakdowns to permit regrouping on a functional basis. One such table

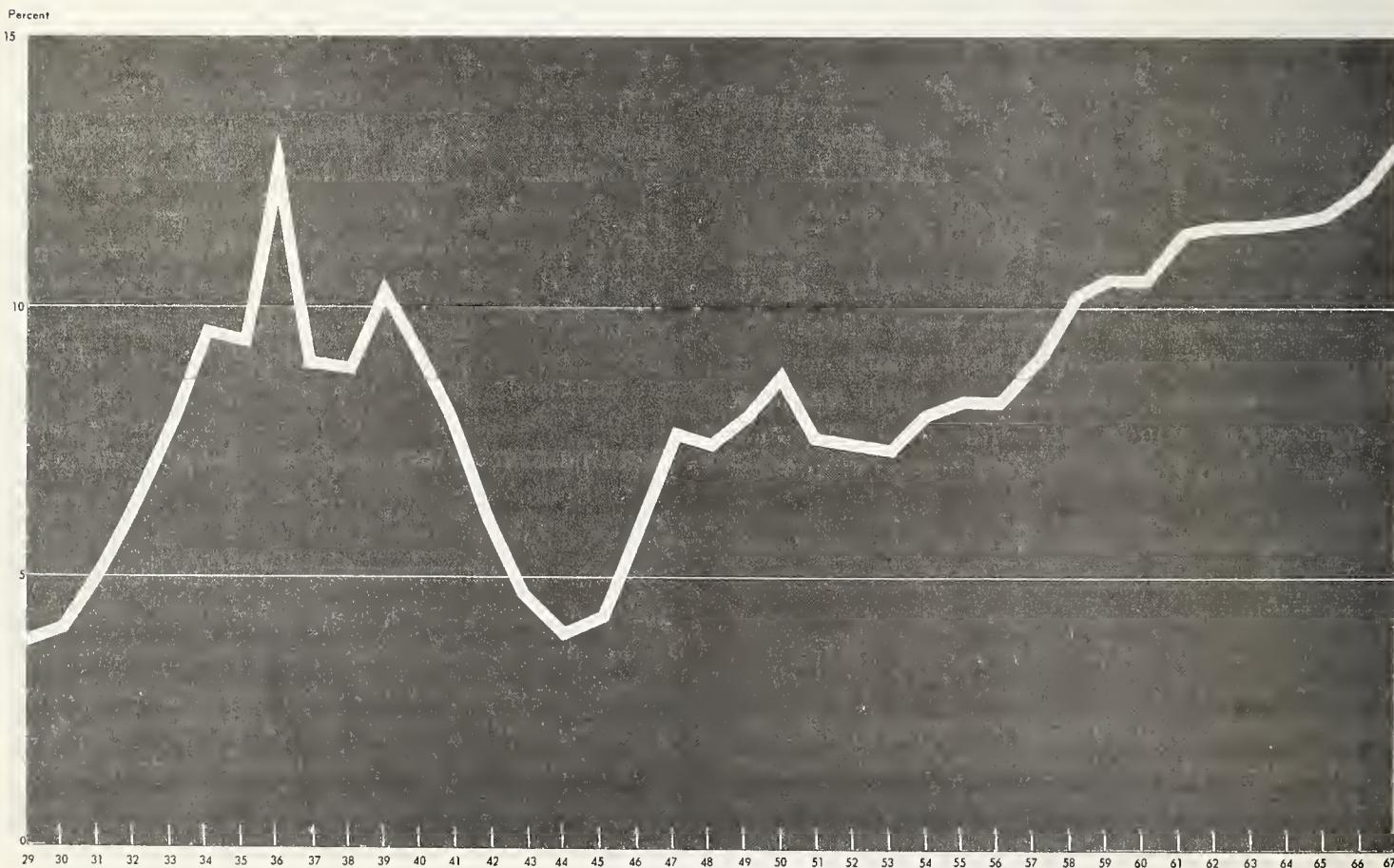
is presented in the section on health and medical programs in Part III.

(4) The data include not only the value of current benefits, but also certain ancillary or supporting expenditures such as administrative expenses incurred in program operations, research and training expenditures for program improvement, and capital outlay to provide the necessary facilities (hospitals and schools, etc.).

(5) Emphasis is on the net monetary cost of government social welfare activities. Thus, loans are excluded from the series *in toto*; contributions from private sources, such as tuition and service fee payments, are deducted from the respective program expenditures.

(6) The series breaks down the data by two major sources of funds: Federal expenditures and State and local expenditures. Federal grants to State and local governments are considered to be Federal expenditures and are subtracted from gross direct expenditures by State and local jurisdictions.

Chart 3.—Social welfare expenditures as a percent of gross national product, 1929-67



¹ Includes housing. Not shown in distribution.

Chapter 3

HISTORY OF THE SERIES

THE PASSAGE of the Social Security Act and other welfare measures in the 1930s brought with it an increasing need on the part of legislators, economists, administrators, and policy-makers for statistical measures of the government's role in meeting economic security needs. Such statistical series were looked upon by the Social Security Administration as tools for the analysis of social security needs and protection and of the impact such programs have on the national economy.

The SSA first developed a series of comparable statistics covering all social insurance and related programs. By the early 1940s, the series included national estimates of benefits paid under the OASDHI program; Federal, State, and local retirement systems; the railroad retirement system; unemployment insurance; workmen's compensation; and veterans' programs. Temporary disability insurance programs were added later. Other data, including estimates of the number of beneficiaries, the extent of coverage, contributions, and payrolls, were also compiled for most of these programs.

Concurrently, an expenditure table was developed on a fiscal-year basis that included administrative costs as well as benefit or program expenditures. In addition to social insurance and related systems, the series covered public assistance, health and medical services, and other welfare programs.

Beginning about 1950, a need was expressed in several quarters for a comprehensive series on social welfare expenditures. Discussions in the United Nations of the proportion of national income various countries allocate to social welfare compared with military spending led the American delegates to ask for data on total

U.S. social welfare expenditures. Such information was prepared for the State Department by the Social Security Administration for the first time in 1951. In order to provide figures that were comparable to those included in other countries under the term "social welfare," the earlier series on social security and related programs was expanded to include data on education (including veterans' educational benefits), housing, and certain previously omitted veterans' welfare benefits.

The October 1951 issue of the *Social Security Bulletin* contained the first estimates for the series—for fiscal year 1950. A December 1952 *Bulletin* article presented estimates for fiscal year 1951, and, in the February 1953 issue, the series was presented in more detail and carried back to fiscal year 1937. One item, housing expenditures, was dropped from the series because of inadequate data. The February 1953 issue introduced several economic indicators by which to measure the growth and significance of the series—relation of expenditures to gross national product, per capita expenditures adjusted for price changes, and the relationship of social welfare expenditures to government expenditures for all purposes.

The next article, which appeared in the October 1955 issue of the *Bulletin*, introduced the concept of including private social welfare expenditures—defined as organized private provisions for health, education, and welfare. Data for the series were also added for the fiscal years 1935 and 1936.

The October 1956 article saw the reintroduction of a housing expenditure item, this time limited to net government expenditures for public housing projects. Included for the first

time was the value of surplus agricultural commodities distributed under school lunch programs, and to nonprofit institutions and needy persons.

That article and another that appeared 1 year later expanded the detail provided under health and medical programs, culminating in a new format adopted in the October 1958 article. The October 1958 article also introduced several important changes in series content and definition. One was the inclusion of Department of Defense expenditures for medical care and education of military personnel and their dependents. A second was the exclusion of current operating (maintenance) costs of water and sanitary systems (i.e., sewage disposal, trash and garbage collection, street cleaning, etc.). The construction (capital outlay) costs of such systems had previously been omitted. Public health outlays for research and control activities relating to environmental sanitation remained in the series.

Another change was the expansion of the medical research and medical-facilities construction categories to include such expenditures by all government agencies, including previously omitted Department of Defense expenditures. The stockpiling of medical supplies for civil defense purposes was also added. Certain Federal training programs were included in the "Education" category for the first time.

A feature of the October 1958 article was the introduction of tables combining public and private expenditures for health and medical care and for organized income-maintenance and welfare services. A similar table combining public and private expenditures for education was introduced in an article in the November 1961 issue.

The next major change in the series—a revision of the data on education expenditures—was described in the November 1962 and November 1963 articles. By agreement with the Office of Education, data supplied by that office were regrouped to (1) eliminate the duplication of certain items included elsewhere in the series such as school health programs and vocational testing of high school seniors, and (2) include previously omitted items such as shared revenues from public lands for schools, and fellowships, traineeships, training grants, and certain research and development expenditures. The article in the October 1964 issue of the *Bulletin* introduced a separate category entitled "School health (educational agencies)" in the tables under "Health and medical programs."

Except for refinements and corrections of recent data, changes in the published series have been kept to a minimum during the past few years so that the revisions incorporated in this monograph will appear at one time and in an orderly fashion.

DEFINITIONS AND CONCEPTS

AS IS TRUE of any broad-based statistical measure, the problems that have arisen in the preparation and treatment of the social welfare expenditure series are many. A major problem is conceptual: What should be included and excluded under the definition of "social welfare?"

As noted earlier, social welfare, as defined for this series, is intended to embrace those public programs that directly contribute to or are concerned with the well-being of individuals and families with respect to basic human needs in the areas of income maintenance, health, welfare, education, and housing. In the health area, because of their direct importance for personal health care, the definition also includes public health control activities, consumer protection, and other programs that affect or are designed to improve health conditions in general.

It may be noted that the economic status of the individual or family receiving benefits is not a criterion under the definition. The social welfare series is not restricted to the services or benefits provided the economically poor. Furthermore, the public program does not necessarily have to involve a government subsidy. The requirement is that the funds be expended through the government apparatus (or in compliance with or as a result of public law). From this, it follows that the source of financing is not material and that an included program may be financed either through general revenues, earmarked taxes, or voluntary contributions, provided other criteria are met.

A discussion of some of the conceptual problems that have arisen in connection with the several segments of the social welfare expenditure series follows.

INCOME-MAINTENANCE PROGRAMS

Compulsory social insurance and related programs, which are financed through the use of the taxing power and which provide for the collection of contributions and the payment of benefits through exclusive publicly operated insurance funds, clearly fall within the scope of the social welfare expenditure series. Similarly, public programs that provide benefits or services without individual pre-election (that is, benefits available with no prior contributions required) are included; for example, certain benefits provided military personnel and veterans, and assistance given to needy individuals.

A question arises, however, with respect to programs that by law are compulsory but which permit the payment of benefits or the provision of services through private organizations such as private insurance companies, or private employee-benefit plans. A related question involves programs authorized by public law that provide for voluntary participation by the individual and under which the benefits are not necessarily financed from public (tax) revenues.

The problems posed by the mixture of public and private insurance characteristics first arose with respect to the State workmen's compensation and temporary disability insurance programs. In many States, these programs permit private insurance carriers to underwrite the risk or employers to self-insure it in lieu of government insurance protection.

It was decided to include the benefit payments of these programs under social insurance, whether they come from public (tax) revenues, from private insurance companies, or directly from employers. The programs are authorized under law and apply on a com-

pulsory basis¹ to the general labor force. Employers and/or employees are required to provide or purchase the coverage and, regardless of how the risk is underwritten, certain statutory standards with respect to benefits, eligibility, and other provisions must be observed. Under workmen's compensation, the benefits invariably follow the statutory formula and under temporary disability insurance, the benefits must meet statutory minimum standards.

Conceivably, a distinction could be made between workmen's compensation and temporary disability insurance benefits that are paid from public funds and those paid from other sources. But, while this approach has a certain attraction, it would also cause difficulties in interpretation and use of the data, especially when considered in conjunction with the treatment of workmen's compensation and temporary disability insurance in other statistical series prepared by the Social Security Administration and other agencies. It also should be noted that historically workmen's compensation benefits have been developed and universally accepted as part of social insurance.

Care has been taken when comparing social welfare expenditures with total government expenditures for all purposes to omit the private mandated benefit payments under workmen's compensation and temporary disability insurance.

More recently, the question of including or excluding benefits provided through private organizations under statutory programs arose with respect to the health insurance program for the aged (Medicare), enacted in 1965. The inclusion of Part A (hospital benefits) of the new program presented no problems since this part of the program is financed through a compulsory tax. The fact that private organizations are used as a vehicle for the payment of benefits is even less of an argument for exclusion than in the case of workmen's compensation because the private organizations involved as Part A intermediaries do not underwrite the risks but merely facilitate administration.

¹ Workmen's compensation is considered a compulsory program, since in those States where the employer may elect not to be covered, he is in effect penalized by being denied customary common-law defenses against suits by employees.

Part B (providing physicians and other medical service coverage) is a different case in that the choice of whether to participate is left to the individual. However, the program is underwritten by the Federal Government, and the private organizations (commercial insurance companies, Blue Cross-Blue Shield, and independent health plans) act merely as agents for the Federal Government and are reimbursed for benefits paid plus administrative costs. This so-called cost-plus formula approach has been used as a means of securing the cooperation and participation of private organizations in a field in which they have administrative expertise while relieving them of underwriting responsibilities. In other words, the government assumes full responsibility for costs, but delegates certain administrative responsibilities to selected agents.

It was decided to include Part B in the social welfare series. The conceptual framework now used for determining whether a social-security-type program is in or out of the series may be generalized as follows:

The series includes not only expenditures under programs that require compulsory participation but also those under programs authorized by public law that provide for voluntary participation (with respect to contributions) in which the program or risk is underwritten exclusively by the government.

It should be noted that this definition still excludes from the public sector those group life insurance and health benefits underwritten by private insurance companies or other private organizations that are made available to government employees on a voluntary basis. The major programs in this latter area are the Federal employee health benefit and life insurance programs, the Servicemen's Group Life Insurance program, and the hundreds of similar plans for employees of State and local governments. The contribution made by governmental units under these programs is in effect treated as an employer contribution to a private employee benefit plan. The data compiled by private underwriters on group health and life insurance programs for government employees are in fact indistinguishable from their data on other insured persons.

Some scholars and users of the data have questioned the inclusion of public employee

retirement systems in the series, on the grounds that these incorporate aspects of supplementary private pension plans. Many State and local retirement systems are now supplementary to the basic OASDHI program, but others provide the only protection available to a sizeable number of employees. The Federal civil service retirement system is in part a substitute for social insurance, in part a pension plan designed to reward long service employees, and the parts are not separable. On balance, it has seemed to us that the statutory basis and compulsory character of the programs dictated their inclusion in the series. The amounts are shown separately so that they can be subtracted out by anyone who wants to do so.

HEALTH AND MEDICAL PROGRAMS

The significance of health and medical services seems so obvious that at first glance there would seem to be few conceptual problems involved in a definition directed at including programs that promote the physical well-being of individuals and families.

The complicating factor, however, is that many government health programs are community-oriented rather than individual-oriented. That is, they provide grants for and direct support of environmental, community, or protective health services, including inspection and control in such fields as food and drugs, water and air pollution, radiation control, and accident prevention. While community services in general have been excluded, these directly health-related services are sufficiently important for personal health that it has seemed desirable to include them. Furthermore, it is not always possible to separate expenditures of public health agencies for personal health care—such as immunizations, well baby clinics, etc.—from the community health activities.

A major borderline area concerns the costs of operating sewage disposal and water supply systems, of refuse and garbage handling, and of street cleaning. Important as these functions undoubtedly are to the maintenance of good health, the provision of water and sewage systems in a modern urban economy takes on much more the character of a public utility than of a public health service. These functions are rarely

administered as part of the public health services, except in certain undeveloped areas. The series currently excludes not only the construction costs of sanitation and water supply systems but also their current operating costs.

A distinction, however, can be made between the operation of these services and inspection, laboratory testing, research, licensing, and other "control" and promotional activities. Organizationally, the latter are most often found in public health agencies. Thus, it has seemed logical to include in the series the costs of such control activities conducted by public health departments.

Certain borderline programs have been omitted from the series if they are not administered by the Public Health Service. Thus, programs of the Bureau of Mines and of the Department of Labor that deal with safety and accident prevention, or gathering accident statistics, are not considered social welfare expenditures.

Omitted from health, but included under education, are expenditures for medical schools and other health training institutions.

EDUCATION PROGRAMS

The education series, like the health series, covers a wide variety of different types of programs and the boundaries of what should be regarded as expenditures for education can be defined in several ways. The Office of Education has compiled a series on Federal funds for education and this is used as the basis for the series developed by the Social Security Administration. One of the differences in the two series has to do with the fact that the Office of Education data include some items that fall outside the concept of social welfare as defined in this monograph. These include, for example, the various types of loan programs such as student loans, college housing loans, facilities construction loans, and loans to private schools.

A major omission of borderline nature involves expenditures for research and development. The annual article in the *Social Security Bulletin* has up to now included all such expenditures made at institutions of higher education. Upon further reflection, however, it was decided that these expenditures were largely oriented not so much to further educational objectives

as to achieve further advancement in special areas such as research in nuclear science, military and defense-related science, space technology, and the improvement of agricultural products. The education series therefore now includes only those research and development expenditures that are designed to improve education and training methods and processes. (Expenditures for research on health and welfare are included under other categories in the social welfare series.)

Other items excluded from the education series are subject to less debate. One is the various in-house and specialized employee training programs conducted outside of educational institutions. (These programs are included elsewhere if they are sponsored by agencies engaged in social welfare activities.) Another omission is the value of Federal surplus property transferred to educational institutions; this is excluded on the grounds that no direct expenditures are involved and that no individual receives the advantages directly.

HOUSING PROGRAMS

The major problem in the sphere of housing is whether to include or exclude slum clearance, urban renewal, and city demonstration programs. Public housing expenditures that are in the nature of rent subsidies for low-income families clearly belong in the series. But urban renewal, while it may improve living conditions in a metropolitan area, may also create more individual welfare problems than it ameliorates. At present, the series excludes expenditures that are attributable to urban renewal on the grounds that the program is not designed primarily to meet individual welfare problems. However, certain newer aspects of urban renewal such as grants to homeowners to enable them to rehabilitate their homes and bring them up to standards will fall into the social welfare definition of direct concern for the well-being of individuals.

MILITARY EXPENDITURES

Expenditures of the military services for medical care and for education of Armed Forces personnel and their dependents can be viewed either as war- or defense-related expenditures,

or as social welfare expenditures. In one sense, these expenditures are for the advancement of troop morale and for meeting a national security objective. In another sense, they may be considered a substitute for similar care or services that a serviceman and his family would receive if he were in civilian life.

The latter argument carries special weight with respect to certain services provided civilian dependents of military personnel, such as medical benefits and schooling for children of military personnel or Defense Department employees.

The decision has been to include in the social welfare series Department of Defense expenditures for medical care and for education. The latter category includes elementary and secondary schooling, the education of military personnel at the service academies and at civilian colleges and universities, and the off-duty education of servicemen.

Under today's conditions, the existence of a relatively large military establishment can no longer be viewed as a temporary situation. The distinction between funds spent for care at military hospitals and facilities (which also provide services to civilian employees), and funds spent for civilian care is somewhat artificial. As for the inclusion of service academy expenditures, it must be recognized that some of the education received may be put to non-military use; that is, graduates may, and often do, spend much of their lives in civilian occupations.

A more compelling argument, perhaps, is that these continuing expenditures by the Department of Defense for health and education form part of the total resources that the Nation is expending to meet basic human needs and should be considered in a comprehensive measure of health and education expenditures.

It should be noted, however, that the series draws the line at including education and training expenditures that are primarily aimed at accomplishing military objectives. Excluded, for example, are the costs of maintaining the Armed Forces Industrial College, the Air Force Institute of Technology, the Army Psychological Warfare School, and the various war colleges.

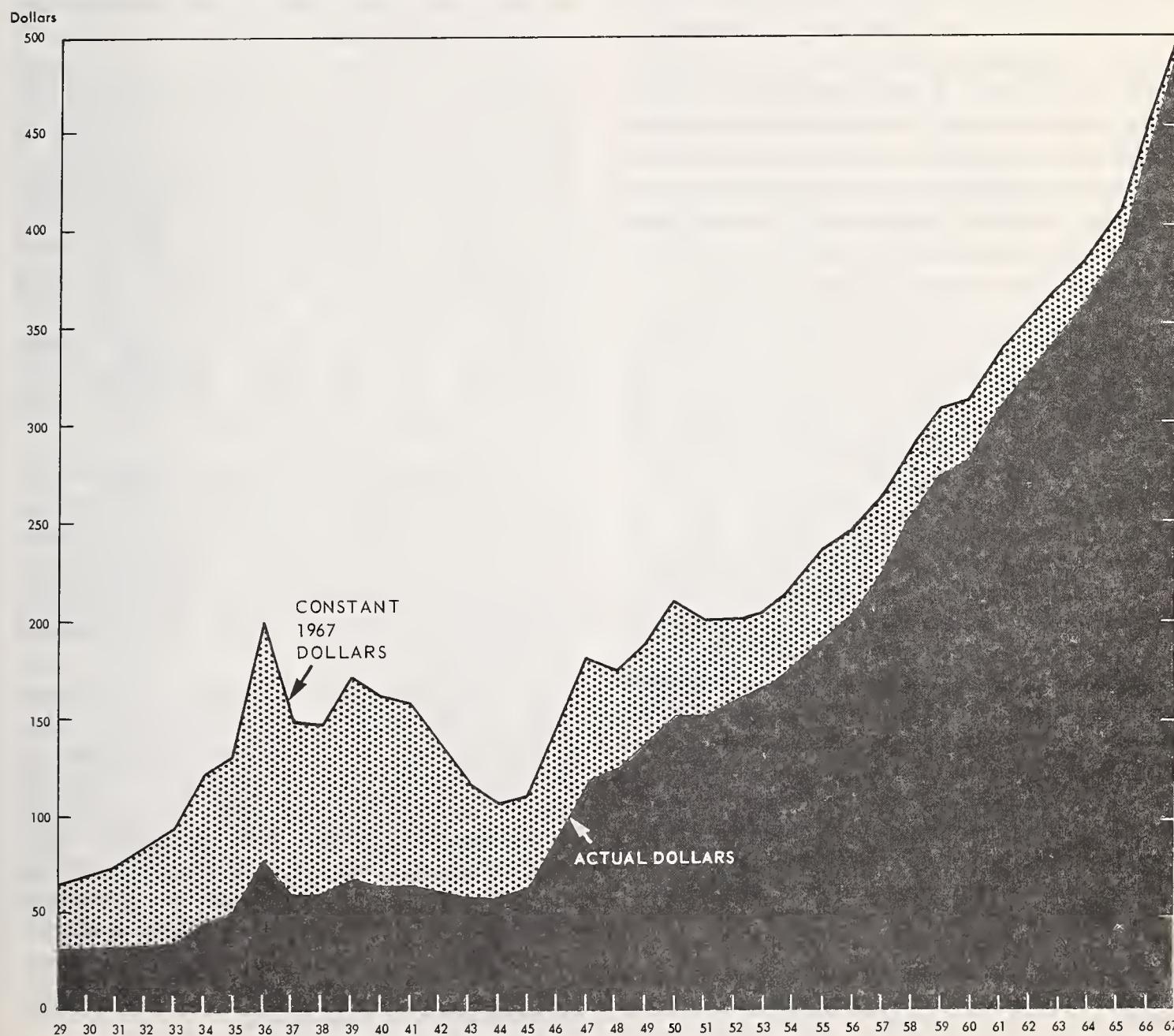
The series also excludes Defense Department

expenditures for dependent family housing. Although housing is a basic human need, it generally is not one that is financially supported out of public funds and thus is not a service that otherwise would have been provided in civilian life. Moreover, provision of housing for servicemen is one of the basic costs of maintaining the military establishment. Payment of an allowance for quarters in lieu thereof is considered to be an integral part of a serviceman's pay, at least among ranked personnel. Housing for service families near military bases can be considered to exist primarily for morale-

boosting purposes and to satisfy a temporary need created by the particular location of the military installations. For civilian employees of the Defense Department's far-flung installations, many of which are purposely located far away from towns, the presence of government housing is a *sine quo non* for acceptance of jobs.

And finally, had it been decided to include the military family housing, separate expenditure data are available only after 1961-62 for housing construction. For earlier years, family housing construction data are indistinguishable from other military construction.

Chart 4.—Per capita social welfare expenditures in actual and constant 1967 dollars, 1929-67



VETERANS' BENEFITS

A similar question of exclusion or inclusion arises with respect to veterans' benefits, which from one point of view can be considered to be war-related rather than social welfare expenditures. Service-connected benefits and medical care for veterans, for example, represent payment for a risk that would not have arisen except for their military service. On the other hand, omitting these expenditures from the social welfare series would give an incomplete picture of the income-maintenance, medical care, and other benefits available to the population. One significant fact to consider is that at the time benefits are paid the recipients are in civilian life. For these reasons and because it is useful in making comparisons of U.S. expenditures with those of other countries in which veterans are provided for primarily through the social insurance and medical care programs for the general population, the social welfare series includes veterans' benefits, but as a separate category. Similar reasoning led to the inclusion of pensions for retired military personnel.

Until now, one of the veterans' programs—government life insurance—was omitted from the series, primarily on the grounds that the voluntary nature of the coverage and the type and variety of individual policies available for purchase produced characteristics more closely akin to private insurance than to benefits of a social welfare nature.² This decision has now been reversed, after reconsidering such facts as these: (1) the risk is underwritten by the Federal Government, (2) all payments are channeled through Federal trust funds, and (3) the administrative costs of the programs are almost completely borne by the Federal Government. This decision is also consistent with the inclusion of expenditures under other programs featuring voluntary participation, such as the supplementary medical insurance portion of Medicare (Part B). One of the voluntary government life insurance programs—

Servicemen's Group Life Insurance—is still omitted from the series because it is underwritten by private insurance companies.

OTHER SOCIAL WELFARE

By its nature as a residual group, the category "Other social welfare" has no clearly defined boundaries.

The problem is not so much with respect to what is included in this category as to the question of what might be added. It has sometimes been suggested that expenditures for juvenile courts, adult probation, and parole services be included. Generally, it has been felt that these expenditures are more closely allied to law enforcement than to social welfare, but a case might be made either way.

The inclusion of expenditures under certain labor programs such as the setting and enforcement of labor standards, and the promotion of industrial safety activities and employer apprenticeship programs is another borderline area. Direct expenditures for the retraining of workers and the costs of operating the U.S. Employment Service are included in the social welfare series, but it is felt that the other activities mentioned above are more closely associated with industrial management relations and law enforcement than with social welfare benefits to individuals.

An additional borderline area involves recreation, library services, activities in the arts and humanities, and other types of leisure activities. Tax funds make available a great variety of recreation facilities and services such as parks, playgrounds, museums, zoos, and organized recreation programs.

For the present, however, it has been decided that recreation expenditures should be treated as general community services and omitted. As population density increases, a wide variety of community services—not only recreation but urban transportation, city planning, and others—become increasingly important in the lives of most people. On balance, it seemed that the usefulness of the series would be enhanced rather than diminished by restricting it to expenditures under programs more directly focused on individual needs.

² There was also a problem of securing comparable year-to-year figures that only recently has been resolved.

Chapter 5

PROBLEMS OF CLASSIFICATION

THE PROBLEM of internal classification is a major one since none of the programs is a completely separate entity, and similar objectives may be approached in different ways and with varying degrees of emphasis. Schools provide health services and school meals; social insurance programs become involved in the provision of medical, rehabilitative, and other services. Veterans have long been entitled to income-maintenance benefits and welfare services that are similar in function to benefits now available to other groups within the population. The public assistance programs are becoming an increasingly important source of publicly provided medical care and social services for individuals. The programs introduced by the Economic Opportunity Act combine welfare, job training, health, and education services. Health programs finance training in educational institutions and education programs finance medical research and training.

The activities and expenditures of most of the social welfare programs therefore can be grouped and classified in several different ways. The basic criteria used in grouping items in the series are statutory programs and administrative structure. Nevertheless, some areas such as health and education lend themselves to a functional approach and the data are presented so as to permit regrouping of parts of major programs. In other instances, where the programs are of smaller magnitude or distributions by function are not readily available, decisions on classification were based on the major thrust of the identifiable program.

INCOME-MAINTENANCE PROGRAMS

Virtually all of the public income-maintenance programs in this country are classified in

this series under the broad categories of "Social insurance," "Public aid," or "Veterans' programs." The exceptions are a few programs such as vocational rehabilitation and certain antipoverty programs (community action, migrant workers) that provide some incidental income maintenance in connection with their major role.

Some persons who agree that public employee retirement programs belong in the series nevertheless question their classification as social insurance on the grounds that these staff retirement programs were established by governmental units solely for their own employees and do not have the broad population base usually associated with government social insurance programs. The same argument is sometimes applied to the railroad retirement system as well, but benefits for workers in this industry are now so substantially integrated with the OASDHI program that their identification with social insurance is generally recognized.

All these programs have characteristics that are very closely related to social insurance. They have a statutory basis, provide for compulsory participation, and pay predetermined benefits based on past earnings, as a matter of right. The government underwrites the risk, collects the contributions, and pays the benefits directly from public funds. The fact that under these special systems the benefits may be somewhat higher than those available under OASDHI does not seem a controlling factor in their classification.

The public employee and railroad retirement systems are in part substitutes for coverage under the general social insurance program. This is particularly true of the Federal civil service retirement system.

It should be noted that many countries started their social security programs by introducing special systems for such occupational groups as miners, seamen, railroad workers, government employees, and agricultural workers, and retained these systems once their general social insurance programs were established.

Another question relates to the inclusion with unemployment insurance of cash training allowances and related assistance under certain manpower programs. Under these programs, the States generally act as agents of the Federal Government, which advances funds or reimburses the State systems for their expenditures. The cash training allowances are closely integrated with the benefits paid under unemployment insurance and are, in fact, paid by the same State agencies. The compelling reasons for the inclusion of the expenditures under these programs lie in their purpose, which is closely related to the goal of providing income maintenance to unemployed workers, and in their operations, which utilize the Federal-State unemployment insurance system and machinery.

Still another question involves the inclusion with unemployment insurance of the U.S. Employment Service and the services provided in counseling, testing, and placing unemployed workers, new entrants into the labor market, and others seeking better jobs. An alternative classification would be to separate the employment service activities and combine them with other activities that deal primarily with job training and placement, perhaps under a major title headed "Manpower development and training." Such a category could include the Job Corps, Neighborhood Youth Corps, Office of Manpower activities, and possibly vocational education and vocational rehabilitation activities.

Despite the enticing logic of such a classification, the U.S. Employment Service is still an integral part of and a necessary adjunct to the administration of unemployment insurance claims. (The Federal law provides that benefits are to be paid through public employment offices and that claimants must register for work at such offices in order to be eligible for unemployment insurance benefits.) Also, USES is at

present financed in large part through the same tax that supports the unemployment insurance system. These considerations led to the decision to include U.S. Employment Service expenditures with expenditures for unemployment insurance.

HEALTH ITEMS

As noted earlier, the basic method of grouping social welfare expenditures in the series is on the basis of statutory program criteria. A growing number of health and medical services, however, are provided as a part of other non-health programs. The parent programs with such subordinate medical and health aspects are: OASDHI (starting fiscal year 1967), veterans' programs, public assistance, workmen's compensation, vocational rehabilitation, and temporary disability insurance. These health and medical expenditures are included with the statutory program, and not in the "Health and medical programs" category. They are shown separately under the respective programs in the series.

Within the "Health and medical programs" category, the expenditures have been grouped into the following major subsections: (1) hospital and medical care; (2) maternal and child health programs; (3) medical research; (4) school health; (5) other public health activities; and (6) medical-facilities construction. Except for item 2, which deals with special programs under the Social Security Act, the other subsections are developed along functional lines. Item number 5 is somewhat of a catchall for those health and medical services that are beyond the rather apparent scope of the other subsections. It is this subsection that has the most borderline areas, already discussed on page 13.

The medical research category raises a problem somewhat similar to that raised for health expenditures in general: What should be done with expenditures under programs that are separately identified and listed in the social welfare series? Three such programs support medical and health-related research: vocational rehabilitation, maternal and child health, and veterans' health and medical programs. The

decision was to include the medical research expenditures with these programs, but to show them as separate components to permit regrouping into a total picture of health expenditures (see table 3-13).

EDUCATION ITEMS

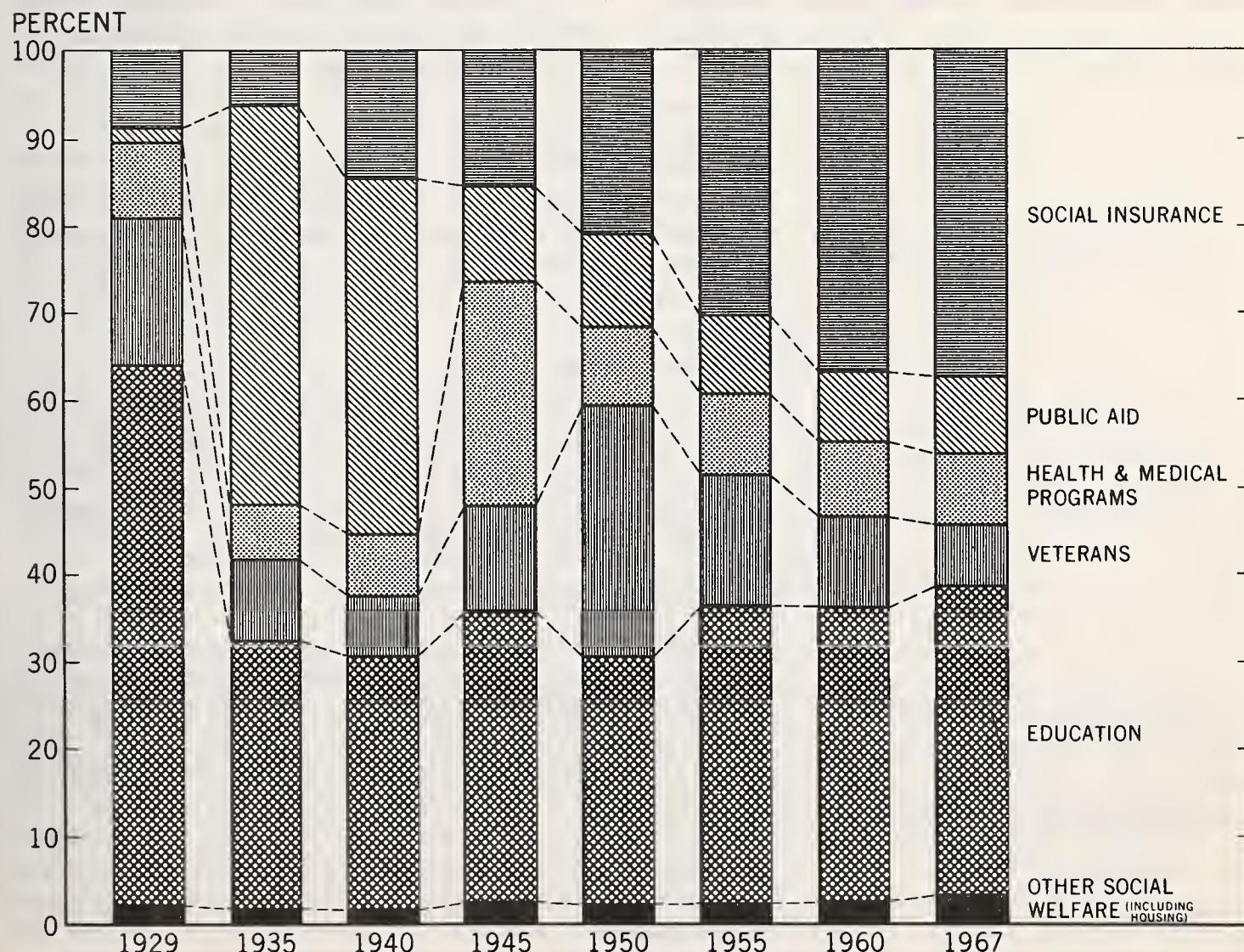
The education series contains fewer problems of internal classification than does the health series but it does have more problems dealing with relations to other components of the social welfare expenditure series.

One of the biggest programs (in terms of expenditures) in recent years that raises classification problems has been veterans' education benefits. This item is reported under the

program-centered classification of veterans' benefits and therefore is not included in the education series. Another multi-function program, school meals, has been deemed more properly classifiable as a welfare expenditure than as an education expenditure. Certain economic opportunity programs—Job Corps, work-experience, the job placement service for high school students, and manpower and training development programs that emphasize training—could be classified as educational, although in this series they have been grouped elsewhere.

Another area in which alternative classifications are possible concerns certain research activities that have been excluded from the education series because they have only sub-

Chart 5.—Percent distribution of social welfare expenditures by program, selected years, 1929-67



ordinate educational objectives. As noted earlier, where research activities have objectives that deal with another social welfare function, their expenditures are listed under that function. An example is expenditures for construction of health-related research facilities, which is listed under health and medical programs rather than education, even though the facilities may belong to an institution of higher education.

Finally, the question arose as to whether the costs of training medical personnel should be regarded as health or education costs. It was decided that except for certain in-service training such as is provided in hospitals, expenditures for medical education and training should be classified as education expenditures. The same treatment was accorded capital outlay expenditures for medical training facilities at educational institutions.

These decisions are all part of a general approach that attempts to find the major thrust of the program and then classifies according to that judgment.

Job Corps
Neighborhood Youth Corps
Work Experience

Adult Basic Education
Head Start

Work Study

Community Action except
Head Start

Migrant Farm Workers
Volunteers in Service to
America (VISTA)

ANTIPOVERTY PROGRAMS

The Economic Opportunity Act of 1964 brought into being a multi-faceted "war on poverty," every aspect of which is directly related to one and often more than one of the social welfare expenditures in this series. Nine separate programs are identifiable among them. This multi-purpose aspect causes problems of classification within the social welfare groupings.

In general, the separate antipoverty programs have been classified in the series according to their main thrust, as identified in the *U.S. Budget*. The programs that are identified separately are listed below under the social welfare expenditure group in which they have been classified.

Because of the special interest in global figures on health expenditures, table 3-13 includes a separate category, "OEO health and medical," which brings together all expenditures for medical and health-related services under the various antipoverty programs.

Public Aid

These programs all pay cash benefits to selectees under training, and to that extent are similar to the depression programs of the 1930s, which are also classified under "Public aid."

Education

Head Start is a special project under the community action program, but its expenditures are listed separately. It is geared toward preparing pre-schoolers to make the most of their school years. Work study and adult basic education are clearly education-oriented programs.

Other Social Welfare

The purpose of these programs, even or perhaps especially the trimmed-down community action program, is to provide as many different kinds of services as turn out to be needed and desirable in various parts of the country. Since it was not possible to classify them under existing headings, a new subgroup was created to contain them: "Special OEO (Office of Economic Opportunity) programs." Administrative expenses for the entire set of antipoverty programs are also included with this group; it is provided in one figure in the *Budget*.

Chapter 6

TECHNICAL ASPECTS

EXPENDITURES VS. OBLIGATIONS

OBVIOUSLY, in an expenditure series the statistical data presented should represent expenditures in the ordinary English-language meaning of the term. In the social welfare expenditure series presented here this is largely but not entirely true.

Practically all the State and local data in the series, whether drawn from sources of the Federal agency concerned with the program or from the Census of Governments, are on an expenditure basis. Census sources note that "expenditure is defined to comprise cash payments, and does not include the value of subsistence, quarters, or other payments in kind made to military personnel or other public employees."¹

Expenditure data also have been available for most of the major (in a dollar sense) Federal programs and for the Federal part of Federal-State programs. These data were largely drawn from Federal agency sources and from *U.S. Budget* documents. In certain instances, however, some of the detail on individual programs is reported in the *Budget* only on an obligations basis.

Obligations, as used in the *Federal Budget*, "refers to orders placed, contracts awarded, loan agreements made, and services received during the year, regardless of the time of payment."² *Budget* expenditures, like agency expenditure data, are on a checks-issued basis, less refunds collected. "Expenditures during any fiscal year may be payments of obligations

incurred in prior years or in the same year."³

For many of the Federal and Federal-State social welfare programs any difference between obligations and expenditures tends to "wash" or disappear within the span of 2 fiscal years. This is especially true for programs providing current benefits or services. The differences are somewhat greater where construction costs are involved because of the wide (and varying) timespan between letting of the contract and work-in-place.

Problems have also risen with regard to the treatment accorded Federal grant money. In public assistance, for example, the Federal Government until recent years obligated in advance a certain sum to be paid to a State in the forthcoming quarter, say, the first of the new fiscal year, and sent the State its check for one-third of that sum (one month's worth) at the beginning of the preceding month—June in this example. This meant that payments for the first month of the upcoming fiscal year were made a month earlier and were counted with the old year's expenditures; it also meant that a relatively large Federal balance temporarily unused was maintained in the State. But it meant, in addition, that before the end of the following June another check for July would be written, so that in the long run the trend of program expenses was largely unaffected.

In the early- and mid-1960s, large-scale use of the letter-of-credit for transmitting Federal funds cut the interim timespan even further. State agencies now draw-down against their letters-of-credit several times a month, and the

¹ *Government Finances, 1965-66*, page 7.

² *Appendix to The Budget of the U.S. Government . . . 1968*, page 7.

³ *The Budget of the U.S. Government . . . 1968*, page 172.

funds are counted as Federal expenditures at the time of the draw-down. Thus, unused Federal balances in the hands of the States have been greatly reduced, and the obligations and expenditures time-lag has been considerably shortened from the 1 month mentioned in the example.

In the social welfare expenditure series, almost all of the income-maintenance programs are reported in expenditure terms. Since they are based mainly on the *U.S. Budgets*, "Health," "Housing" and "Other social welfare" data are also very largely on an expenditure basis. The outlay for veterans' programs, including administrative costs, is reported by the Veterans Administration on an expenditure basis. Only education data are based primarily on obligations rather than on expenditures. These data are obtained from the Office of Education, which has kept its historical series in terms of obligations. For education programs, the difference between obligations and expenditures—except for construction programs—matters less than for any other parts of the social welfare expenditure series because the fiscal year of the Federal Government so nearly coincides with the school year to which the data pertain.

Wherever possible, published expenditure data were chosen over that available from unpublished sources, especially with respect to Federal programs. Data on State and local expenditures for Federal-State financed programs were taken to the extent possible from the Federal agency concerned, particularly when that agency's data were the source for the Federal expenditures under the program. Second choice was State and local expenditures as reported by the Census of Governments. In many instances, however, the Census of Governments was the only available source for the State and local data.

TREATMENT OF LOANS

Loans are excluded from the social welfare series by definition since, ostensibly, they are made in the expectation of repayment. If loans were counted as expenditures when first made, it was reasoned, to the extent they were ultimately repaid they would represent an over-

statement of the net charge or drain on government finances measured by the series. It is recognized, however, that if the major concern is the current impact on the economy of government spending, then the flow of government funds—whether in the form of direct expenditures, grants, or loans—should be considered *in toto*.

A question arises as to whether any part of loans might be included in the series at some stage of the borrowing-repayment procedure. It may be supposed that loans could be picked up to the extent that they are not repaid. This presents a problem, however, because it requires a determination of default at some later point in time. Only a few examples of this have occurred in the past. Under the Reconstruction Finance Act of 1932, assistance for relief was first provided in the form of repayable advances and loans to States. Within a couple of years, however, the repayment requirement was removed. Similarly, "loans" to the veterans' bonus marchers of 1933 who were stranded in Washington, D.C., for lack of funds to return home were later forgiven. In both cases, these "loans" have been treated as expenditures in the series.

The more typical situation is a continuing loan program financed by a revolving fund of some sort, under which defaults of loans occur in a relatively few cases each year. Such unpaid loans are often difficult to identify in the aggregate and, in fact, may be offset by some government recoupment after default or by income from other sources. The housing loan programs under which the government takes over property in default and sells or rents it provides a good example. In other cases, such as education loans, the debt may be forgiven if the recipient fulfills certain present conditions, thus making determination of default a difficult matter.

Even if the losses attributable to loans were identifiable at some future date, a question would arise as to the proper year of attribution. Such write-offs would probably have little real relationship to expenditures at the time of write-off and thus would create distortions in the series for analytical purposes. It is possible but not practical to allocate the unpaid portions of loans back to the year in which they were

made, but this of course would result in constant revamping of figures for previous years, unless one were arbitrarily to assume that each year's current loans will involve a certain percentage of defaults.

The same problems of practicability arise with respect to low-interest loans that are usually made at rates below those current in the loan market. Conceptually, the extent to which the government is providing a subsidy to the borrower is a proper social welfare charge (assuming that had the loan been a grant it would have qualified as a social welfare expenditure as defined in this series). Below-market-interest-rate loans are particularly prevalent in the housing field. For example, under the section 221(d)(3) program, which is designed to promote rental or cooperative housing for low-income families, the Federal subsidy involved is the difference between the government-prescribed 3-percent mortgage interest rate and the much higher market rate. The difficulty would be in ascertaining the precise amount of the subsidy and the related task of computing such a subsidy annually for the many programs that are now providing low interest loans.

For these reasons, then, it has seemed impractical to try to include loans or any portions thereof in the expenditure series. This means that the following major programs are not included in the series: student education loans, loans to private schools, loans for the construction of academic and medical facilities, economic opportunity loans, rural housing loans, urban renewal rehabilitation loans, college housing loans, public housing loans, and loans to provide housing for the elderly.

TREATMENT OF EXPENDITURES OUTSIDE THE UNITED STATES

For purposes of this discussion, the term "outside the United States" refers to areas other than the 50 States and the District of Columbia. (The Bureau of the Census defines the term "United States" in the same way.) A complicating factor is that Alaska and Hawaii were territories when the series started in fiscal year 1929 and did not become States until January 1959 and August 1959, respectively.

Generally speaking, data on Federal programs include expenditures and payments in Alaska and Hawaii for all series years. At the State and local level, the following items exclude expenditures for Alaska and Hawaii for the years prior to Statehood: workmen's compensation, public employee retirement systems, hospital and medical care, school health, public health activities, medical-facilities construction, institutional care, veterans' benefits, housing, and education (except for some benchmark years). All programs now include data for Alaska and Hawaii at the State and local level from the year of their admission to the Union.

At the Federal level, the series includes expenditures in outlying areas such as Puerto Rico, the Virgin Islands, Guam, Trust Territory of the Pacific, American Samoa, and the Panama Canal Zone for programs that authorize such expenditures, either as grants or direct Federal payments. In addition, the Federal series includes expenditures that are made to beneficiaries in foreign countries under some of the income-maintenance programs. OASDHI cash benefits, for example, are paid to persons who have had the required quarters of coverage under the program and meet other qualifying conditions, regardless of where they choose to live. The same holds true for Federal civil service and military retirees. Veterans' benefits are paid to a considerable number of veterans and survivors who reside outside the United States, many of whom not only live in but are citizens of the Philippines. Part of the Defense Department health and education expenses are incurred in foreign countries. Other small expenditures made abroad are included in the figures in table I.

Expenditures made outside the 50 States and the District of Columbia are included in the data for the State and local sector under only a few programs, mainly those that match Federal expenditures as part of a grants program: public assistance, maternal and child health services, vocational rehabilitation services, and child welfare services. Since 1961, unemployment insurance has been payable in Puerto Rico.

A special problem arises with respect to international support programs in the field of health, education, vocational rehabilitation, and

research. To the extent that these programs are of primary benefit to non-Americans and subordinate social welfare objectives to the promotion of cultural relations and the implementation of foreign policy, a case can be made for their exclusion from the series. In addition, many of these programs are supported through excess foreign currencies and thus are not a charge on the U.S. Treasury, except very indirectly. Many of these programs, therefore, have been excluded.

For some international programs, however, it is difficult to distinguish between expenditures in behalf of American citizens abroad and those in behalf of non-Americans, either abroad or in this country. One such program is the educational exchange program, included in the series due to the fact that most of the payments go either to American students, or to foreign students in the United States and to their American host universities.

One of the factors that could influence decisions in this field is the type of aggregate data that are available against which to measure the magnitude of social welfare expenditures. The national income accounts, and especially the gross national product, which measures the Nation's output of goods and services, are the most important reference data. These measures, prepared by the Office of Business Economics, Department of Commerce, do not include income originating outside the 48, later 50, States and District of Columbia, except for the wages and salaries of Federal civilian and military employees abroad. Therefore, when social welfare expenditures, as described above, are related to gross national product, this results in an overstatement to the extent that the social welfare series includes data from geographical areas outside the 50 States and District of Columbia. This overstatement is probably not as great as might appear, since only a few items in the State and local sector include expenditures by the outlying areas, and Federal wages and salaries in outlying areas and abroad are included in both sides of the equation.

There is, moreover, an argument for including the Federal social welfare expenditures abroad in such a comparison since the economic base for these expenditures is presumably the United States. In any event, in comparing

social welfare expenditures with gross national product, no adjustment has been made for the geographical differences. Such an adjustment would be very small in relation to the gross national product and would not change the percentages shown in table III.

Somewhat different considerations apply, however, when computing per capita social welfare expenditures. If the major concern were to obtain a measure of the per capita cost to the American people of social welfare expenditures, probably the best approach would be to include all expenditures abroad, including payments to noncitizens. If, on the other hand, the concern is primarily with the relationship between benefits and expenditures and the total personal incomes of individual Americans, certain expenditures abroad should be excluded.

In either event, what would be desired is a population base that includes civilian and military personnel in the United States and abroad, including the population of United States possessions and outlying areas. Such a population base, however, is not readily available. Except for data on Federal employees outside the United States, estimates of the number of American civilians abroad are available only for decennial years. Since the population base thus excludes overseas civilians other than Federal employees, in computing per capita social welfare expenditures, payments abroad for those major programs that make substantial payments in foreign countries—namely, OASDHI cash benefits, veterans' benefits, and payments under the educational exchange program—are excluded.

The population base used for the per-capita computations in fiscal year 1929 included all persons within the 50 States (including the then territories of Alaska and Hawaii), the District of Columbia, Puerto Rico, the Virgin Islands, and Armed Forces personnel abroad. In 1935 the Panama Canal Zone was added and in 1940, Guam and American Samoa. Beginning in 1950, Federal civilian employees abroad were added so that the population base today includes residents (civilian and military) of the 50 States, the District of Columbia, and the outlying areas of Puerto Rico, the Virgin Islands, Guam, and American Samoa, plus military personnel and Federal civilian employees abroad.

Chapter 7

CURRENT REVISIONS IN THE SERIES

ALTHOUGH THIS MONOGRAPH reflects the fact that many changes have been incorporated in the social welfare expenditure series, the revisions have not resulted in any extensive changes in the magnitude of the overall figures. The following tabulation gives the new totals and the old ones (as published in the December 1966 issue of the *Social Security Bulletin*) for selected years:

Fiscal year	Old (in millions)	New
1935	\$6,417	\$6,548
1940	8,762	8,795
1945	8,859	9,205
1950	22,973	23,508
1955	32,243	32,640
1960	52,154	52,293
1965	77,505	77,262

For the convenience of those using the series, there follows a summary of the major factors responsible for the differences in the two sets of figures.

SOCIAL INSURANCE

1. Expenditures under Federal employee retirement systems refined for period 1929–53 to include smaller systems and better data on military retirement systems.
2. Expenditures under State and local retirement systems refined for 1930s and 1940s.
3. Employment service expenditures under Wagner-Peyser Act added for the years 1933–36.
4. Administrative expenses added for workers' compensation (1929–49) and for OASDHI (1936–40).
5. Federal expenditures for unemployment

insurance and employment service adjusted to include certain manpower expenditures incurred by the State employment service during the period 1962–66.

6. Expenditures for cooperative research and demonstration grants in social security added to OASDHI administrative expenditures for the years 1961–66.

PUBLIC AID

1. Federal expenditures for demonstration projects added to public assistance for the years 1964–66.

HEALTH AND MEDICAL PROGRAMS

1. "Health and medical programs" series adjusted to exclude hospital and medical care expenditures of the Civilian Conservation Corps in 1930s, already included in "Other public aid."
2. State and local expenditures for hospital construction revised to conform with methodology previously adopted for years 1960 on.
3. Medical research series for Federal sector carried back to beginning of series.
4. State and local expenditures for "Other public health activities" for years 1929–55 revised to exclude maternal and child health programs and capital outlays, already shown elsewhere.
5. Department of Defense "Medical-facilities construction" series augmented by development of data for World War II years (1941–45).
6. Federal expenditures for "Other public health activities" adjusted to exclude certain programs (administered by agencies other than the Public Health Service) that are more in

the nature of safety, accident prevention, and statistics-gathering programs for all years.

7. Expenditures for research and demonstration projects added to maternal and child health programs for the years 1964-66.

8. Federal medical-facilities construction series (other than Defense Department) adjusted for omissions for all years.

VETERANS' PROGRAMS

1. Veterans' life insurance benefits added for all years.

2. Federal bonus payments to World War I veterans—adjusted service pay and certificates—added for all years.

3. State and local expenditures for veterans' programs added for the years 1937-45.

4. Veterans' loan guaranty expenditures excluded for all years; these expenditures have been offset by revenue received (receipts from operations and proceeds from the sale of loans).

EDUCATION

1. Federal series on education adjusted to exclude emergency school operational and construction expenditures of the 1930s (except those of the Public Works Administration), already included in "Other public aid."

2. Federal school expenditures from shared public land revenues added to education series for the years 1929-37.

3. Federal expenditures for U.S. service academies added to education series for the years 1929-37.

4. Administrative expenses of U.S. Office of Education added to education series for the 1930s.

5. Federal education series adjusted to include expenditures for agricultural experiment stations for all years.

6. Federal education series adjusted to exclude for all years certain basic research, research facilities, and research and development expenditures that are not education-oriented.

7. Federal education series adjusted to exclude a number of in-house training programs operated by Federal agencies.

8. State and local education series adjusted

for the years 1962-66 to incorporate new Office of Education estimates of higher education expenditures, especially for construction.

OTHER SOCIAL WELFARE

1. Administrative expenses of U.S. Vocational Rehabilitation Administration added for the years 1929-44.

2. Methods of estimating State and local expenditures for institutional care revised for all years.

3. Federal expenditures for institutional care adjusted to exclude hospital and medical care expenditures at the U.S. Soldiers' Home, already included in "Health and medical programs" for all years.

4. State and local expenditures for the school lunch program adjusted to exclude private contributions (beginning in 1946).

5. Federal expenditures for research and demonstration projects added to "Child welfare" for the years 1962-66.

6. State and local expenditures for vocational rehabilitation adjusted to exclude private expenditures for all years.

7. Federal expenditures for vocational rehabilitation adjusted to exclude international research for all years.

8. Administrative costs of Office of Secretary, Department of Health, Education, and Welfare and expenditures for Indian welfare, aging, manpower, and other miscellaneous activities added to the series in new subcategory, "Social welfare, not elsewhere classified," for all years.

* * *

Additions of new elements to the series have involved changes in format, as have certain internal reclassifications. The changes include:

1. Addition of a subsection, "Life insurance," to "Veterans' programs."

2. Establishment of a separate subsection, "Vocational and adult education," under "Education." Previously vocational expenditures were included for the most part under "Elementary and secondary education."

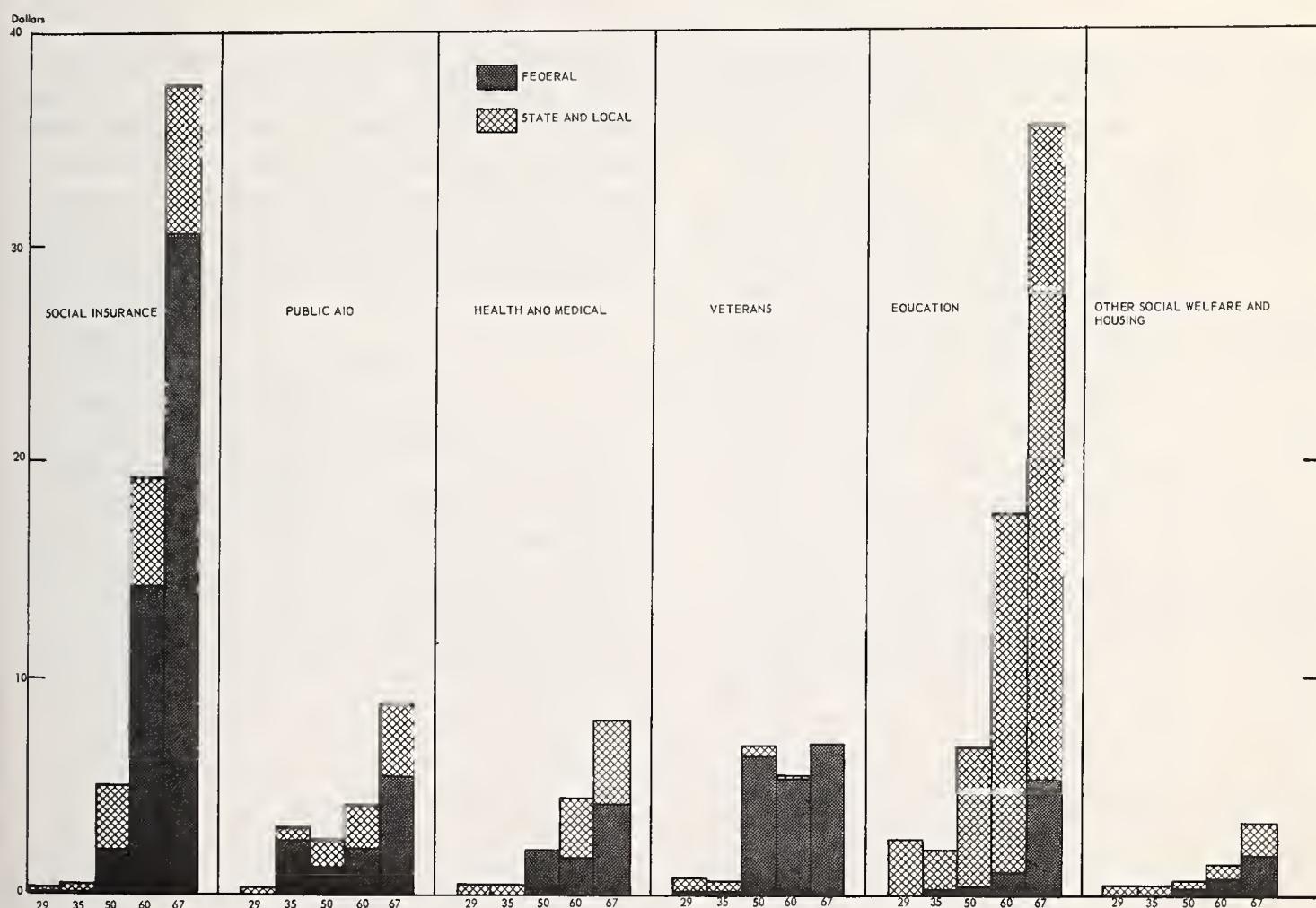
3. Division of the "Public housing" category into two subsections, "Public housing" and "Other housing programs" under the new title "Housing."

4. Retitling of the category "Other welfare services" to "Other social welfare" and addition of a new subsection "Social welfare, not elsewhere classified." Previous subsection headed "Special programs" changed to "Special OEO (Office of Economic Opportunity) programs."

The major internal reclassifications of data include the reshuffling of education data, already mentioned, the redistribution of anti-poverty programs, with the major change being the transfer of Job Corps and Neighborhood Youth Corps expenditures to "Other public aid" from "Special OEO projects"; the separation of

the value of surplus commodities distributed to needy individuals from that distributed to institutions during the period 1936-40; the transfer of Federal veterans' domiciliary care from "Veterans' health and medical programs" to "Veterans' welfare and other programs" for the years prior to 1950; and the shift of Gallaudet College from the institutional care to the education section. Other changes involve many transfers of research and training expenditures between the health and education series too numerous to detail here.

Chart 6.—Social welfare expenditures by program and source of funds, selected years, 1929-67





PART II

THE PROGRAMS, EXPENDITURES, AND SOURCES OF DATA

Part II describes the public programs included in the social welfare expenditure series. Each section contains a brief history of a particular program and its development, explains the nature and basis of the data included, and summarizes the sources of data used. The text prepared for each individual program generally follows this outline:

Preview

Description of the program

Nature of expenditures

Sources of data and limitations (if any)

Program developments

In certain classifications, which deal with a number of functional programs as contrasted with one specific statutory program, some of the sections are combined and treated together.

Descriptions of the various programs, unless otherwise indicated, refer to the program pro-

visions in effect in 1966. Similarly, the organizational structure and titles of administrative agencies pertain to the situation as of 1966.

The section on nature of expenditures explains the type of expenditures under each program, and indicates which are included in the series and which are excluded.

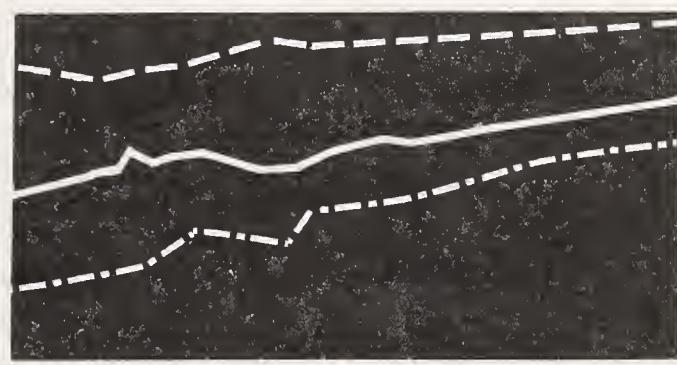
The sources of data section discusses not only the published and unpublished materials from which data are derived but also the methodology developed for estimating items for which data are not available from regular sources. Where applicable, a discussion is included of some of the limitations of the data.

In discussing development the emphasis is on legislative changes in the scope of the program and—very briefly—economic, social, and demographic factors that would account for changes in the expenditure totals.



Chapter 1

SOCIAL INSURANCE



AS USED HERE, "Social insurance" includes those public programs that provide income maintenance and other benefits without a means test as protection against the economic hazards of old age, disability, loss of employment, death, and the costs of ill health. Benefits are deemed an earned right, are based on past employment or contributions, and are financed in general through prepayment arrangements required by law.

The category includes programs administered directly by the Federal Government: old-age, survivors, disability, and health insurance (OASDHI); railroad retirement; railroad unemployment insurance; and railroad temporary disability insurance. It also includes unemployment insurance and employment service under the State laws (including Federal programs for unemployment insurance and training allowances), workmen's compensation, State temporary disability insurance, and public employee retirement systems (Federal, State, and local).

All benefit expenditures under compulsory social insurance programs are included in the series, although in some instances (e.g., under workmen's compensation and State temporary disability insurance) part of the benefits are

paid by private insurance companies or by employers who self-insure the risk. The compulsory nature of these programs and the fact that the benefits are specified by statutes make it appropriate to include the payments as part of protection furnished through public programs. These "private" mandated benefit payments, however, are deducted before social welfare and total governmental expenditures are compared (see table V).

Also included are benefit expenditures under certain programs authorized by public law that provide for voluntary participation, provided the program or risk is underwritten by the government either directly or indirectly (such as under cost-plus contracts). Thus, payments under the supplementary medical insurance program (Part B of Medicare) are included, even though this protection is voluntary and the benefits are paid through intermediaries.

Not included here but shown in a separate category are expenditures under Federal programs for veterans that provide pensions, compensation, health and medical services, life insurance, and burial allowances. The characteristics of these veterans' programs vary so greatly that it was considered advisable to

treat them separately. For example, some veterans' benefits are provided on a noncontributory basis, others on a contributory basis; some impose an income test to determine eligibility, in others benefits are paid as a matter of right.

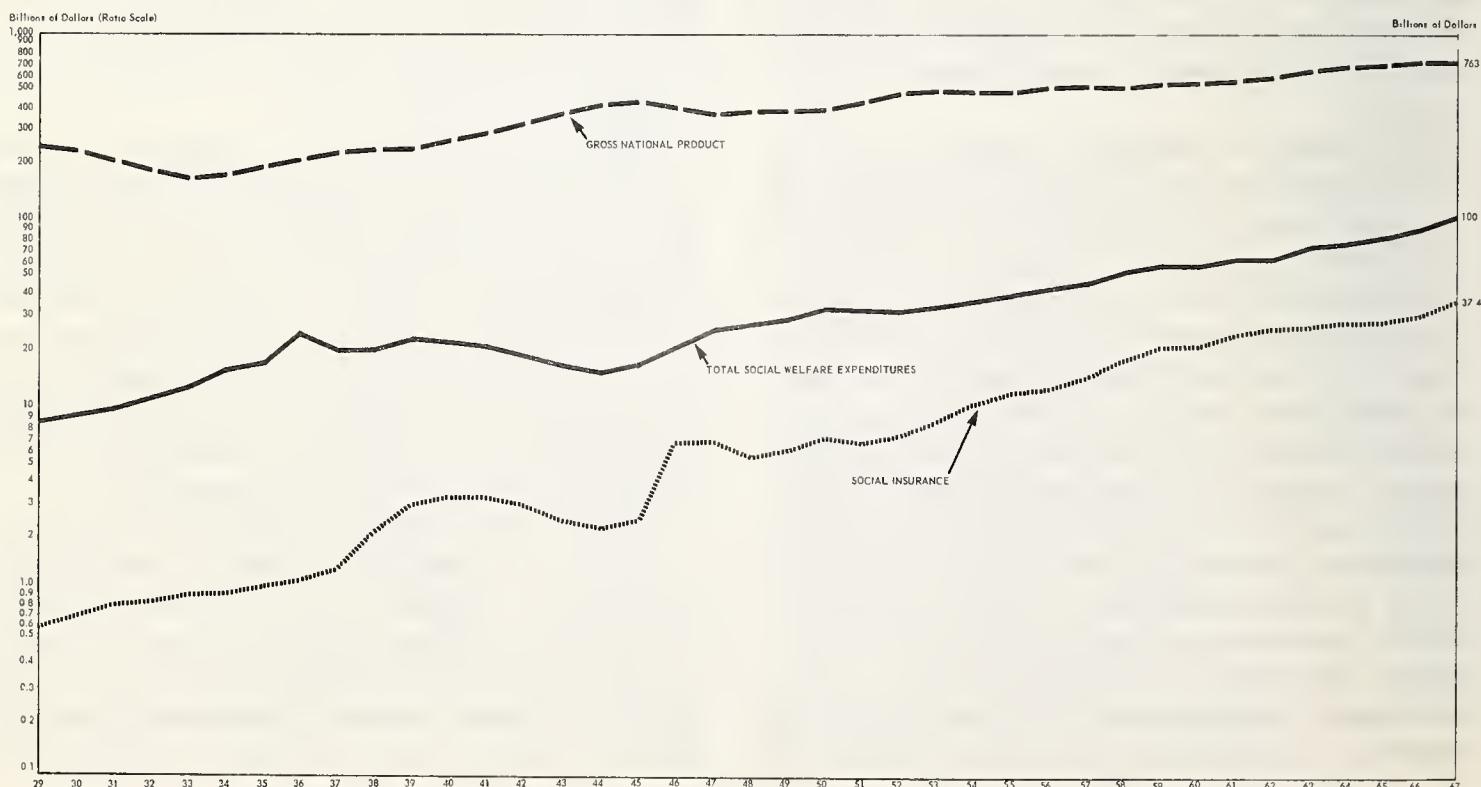
The growth in social insurance expenditures is to a large extent the story of the maturing of the OASDHI program. For the first dozen years of benefit payments, through 1950, this program had expenditures of less than \$1 billion annually. It accounted for less than one-fifth of total expenditures under social insurance. With the expansion of coverage and other liberalizations contained in the 1950 amendments to the Social Security Act and subsequent changes during the next decade, OASDHI expenditures rose dramatically from \$784 million in fiscal year 1950 to \$11,032 million in 1960. This thirteenfold increase raised OASDHI from 16 percent of all social insurance expenditures in fiscal year 1950 to nearly 60 percent of the 1960 total. In the next half-dozen years OASDHI expenditures almost doubled again, as increasing proportions of the population reached retirement age and qualified for benefits, while dollar benefit amounts were increased periodi-

cally as price levels rose. By fiscal year 1966 annual OASDHI expenditures had passed the \$20 billion mark and constituted 64 percent of total social insurance expenditures.

As would be expected, none of the other social insurance components experienced anywhere near the 25-fold OASDHI growth over the last 16 years. Expenditures for public employee retirement, the second fastest-growing group of programs, increased about fivefold over the same time span. The larger programs in this group were started in the 1920s and now substantially have reached maturity. Workmen's compensation and temporary disability insurance programs have also shown a steady dollar growth in expenditures but have expanded at a much slower pace, reflecting primarily a growing labor force and adjustment to rising wage levels. By contrast, unemployment insurance program expenditures showed both upward and downward trends and in fiscal year 1966 dropped to the lowest level since 1957.

The growth of social insurance expenditures in the Federal sector is again dominated by OASDHI: Expenditures for this program accounted for four-fifths of the total in fiscal year

Chart 7.—Gross national product, total social welfare expenditures, and social insurance expenditures, in constant 1967 dollars, 1929–67



1966. In the State and local sector, the fast-growing public employee retirement systems and workmen's compensation programs are offsetting declining unemployment insurance expenditures. Since the end of World War II, unemployment insurance has been the largest

single social insurance expenditure financed by State and local funds. In fiscal year 1966, however, expenditures for public employee retirement and workmen's compensation each exceeded the unemployment insurance total for the first time.

Old-Age, Survivors, Disability, and Health Insurance

PREVIEW

The Social Security Act of 1935 created a simple retirement program for certain workers who had reached age 65. During the first full fiscal year of operations—1938—benefits totaled a modest \$5.4 million. From this beginning the national social insurance program of the United States—popularly known as "social security"—developed until its annual benefit expenditures in 1966 totaled \$19.8 billion.

How this program was transformed from a retirement plan for workers into a family-centered system of protection against the economic hazards of old age, disability, death, and the costs of ill health in old age is detailed in this section. Today (1966) "social security"

- covers 90 percent of all workers in the country.
- assures about 90 percent of the Nation's children and their mothers monthly survivor benefits if the family breadwinner dies.
- provides 55 million workers with monthly benefits should they become disabled on the job.
- entitles approximately 18.9 million aged person to hospital insurance, and provides medical insurance coverage to 17.6 million enrollees.
- makes cash benefit payments of more than \$20 billion a year to almost 21 million beneficiaries of all ages.

DESCRIPTION OF THE PROGRAM

Old-age, survivors, disability, and health insurance (OASDHI) is the basic national social insurance program in the United States for meeting the economic risks of superannuation,

disability, and death of employed persons and the self-employed, and for providing protection against the high cost of health care in old age. Through this compulsory, contributory program, basic income protection is provided as an earned right without a means test. Cash benefits are related to the past earnings of the worker and to the regularity of his work under the program.

On July 1, 1966, the program also began paying for certain hospital and medical costs incurred by eligible persons aged 65 and over. During fiscal year 1966, the program also started reimbursing State vocational rehabilitation agencies for the cost of rehabilitation services furnished to selected OASDHI disability beneficiaries.

Approximately 90 percent of all persons in paid employment are covered by the compulsory, contributory provisions of the OASDHI program. Major groups still excluded from coverage are: (1) workers covered under Federal civilian employee staff retirement systems; (2) most railroad employees; (3) household workers and farm workers whose earnings are below certain minimum levels; and (4) persons with very low net earnings from self-employment. Federal civil servants and railroad employees are covered, separately, by compulsory, contributory retirement systems of their own. The railroad system is closely coordinated with OASDHI.

At the beginning of 1966, about 95 million persons had sufficient quarters of coverage to entitle them, at retirement, to cash benefits under the OASDHI program, and more than 90 percent of persons now reaching age 65 are eligible for monthly retirement benefits. About the same proportion of all children and their

mothers can count on monthly survivor benefits if the father dies; and about 55 million people have worked long enough and recently enough to be eligible for benefits if they should become totally disabled this year. The system currently (1966) pays out cash benefits of more than \$20 billion a year to almost 21 million beneficiaries of all ages.

The cash benefits provided under OASDHI include monthly payments to retired or disabled workers and their dependents, and lump-sum and monthly payments to survivors of deceased workers. Eligibility is based on the amount of work credited to the earnings record of the worker. The amount of the monthly cash benefit is based on the worker's average monthly covered earnings.¹

Retired workers and their wives or dependent husbands may elect to receive permanently reduced benefits as early as age 62, or full benefits at age 65. Children of retired or deceased workers are eligible for benefits until they reach age 18, or until they reach age 22, if they are full-time students. Children may receive benefits after age 18 if they were disabled before they reached that age and continue to be disabled. Mothers caring for entitled children under age 18 or for those eligible because of disability may receive benefits themselves regardless of their age. Widows may receive unreduced benefits at age 62, or permanently reduced benefits as early as age 60; dependent widowers and parents may receive unreduced benefits at age 62.

Cash disability benefits are payable to insured workers under age 65 who are totally disabled (as defined in the law) and to their dependents on the same basis as to dependents of retired workers.

Benefits payable to a worker at age 65 currently (1966) range from \$44 a month to \$135.90 (eventual maximum: \$168). Family payments range from \$66 to \$309.20 a month (eventual maximum: \$368). As of June 1966, the average monthly benefit paid to retired workers was \$84.07; to disabled workers,

¹ Social Security Act amendments that went into effect in October 1966 provide for special flat-rate benefits for persons aged 72 and over not insured under the regular or transitional insured provisions of the Social Security Act.

\$97.97; to aged widows and widowers, \$73.86; and to children of deceased workers, \$61.50. The average monthly benefit payable to a couple both of whom are at least age 65 was about \$148.

At age 65, whether retired or not, persons eligible for social security or railroad retirement cash benefits have protection against the costs of inpatient hospital services, related posthospital care (skilled nursing homes and home health visits), and outpatient hospital diagnostic services. Like the cash benefit program, hospital insurance is compulsory and contributory. The same hospital insurance protection, financed from general revenues, is provided under a special transitional provision for essentially all persons who reach age 65 before 1968 but who are not eligible for cash social security or railroad retirement benefits. Virtually all persons aged 65 and over also may enroll, on a voluntary basis, for supplementary medical insurance coverage that helps pay the costs of physicians' services and other medical services not covered by the basic hospital plan. As of July 1, 1966, approximately 18.9 million aged persons were entitled to hospital insurance benefits, and 17.6 million had voluntarily enrolled for medical insurance coverage.

The cash benefit program is financed by matching contributions from employers and employees in the form of a payroll tax computed as a percentage of covered wages, and from 1951 on, by a tax on self-employment earnings approximately equal to 1½ times the employee tax rate.² The contributions collected on January 1, 1937, were at the rate of 1 percent each for employer and employee on the first \$3,000 of annual wages in covered employment. The tax rate and wage base were increased successively until, in 1966, contributions were being made at the rate of 3.85 percent each on the first \$6,600 of annual wages and 5.80 percent on

² From 1947 to 1951 a small amount of general revenues was appropriated to the OASI trust fund to reimburse for benefits payable to survivors of certain World War II veterans. Beginning in July 1966, reimbursement to the trust funds from general revenues was made to amortize the accumulated backlog of expenditures resulting from providing noncontributory monthly wage credits for persons in the military services before 1957.

the first \$6,600 of self-employment earnings.

For the hospital insurance, an additional 0.35 percent each was contributed by employer, employee, and self-employed person for the initial year, 1966. The cost of basic hospital and related benefits for people who are not entitled to monthly social security or railroad retirement benefits is paid from general funds of the Treasury. Aged persons who enroll for voluntary supplementary medical insurance protection currently (1966) pay a monthly premium of \$3 matched by the Federal Government.

Contributions (including amounts from general revenues) go into four federally administered trust funds from which benefits and administrative expenses are paid. No participation of private insurance companies or private pension plans is permitted in the underwriting of the basic risk for cash benefits.

For the health insurance programs for the aged, the Social Security Administration (SSA) uses appropriate State agencies and private organizations (Blue Cross, Blue Shield, insurance companies, etc.) to assist in administration and serve as fiscal intermediaries and administrative agents. Providers of services (i.e., hospitals, extended care facilities, etc.) are paid for the costs of services they provide, generally by the intermediaries, and the intermediaries are reimbursed for these payments and their "reasonable costs" of administration.

The OASDHI program is administered by the Social Security Administration of the Department of Health, Education, and Welfare. The Treasury Department collects the payroll and self-employment taxes, invests the proceeds, and writes the benefit checks. It also manages the supplementary medical insurance trust fund.

NATURE OF EXPENDITURES

Included in the OASDHI category in the social welfare expenditure series are: (1) cash and medical payments; (2) rehabilitation services for the disabled; (3) administrative expenditures, including the construction of central headquarters and district office buildings; and (4) SSA's share of the cooperative research and demonstration grants program.

The first three items are expenditures from

the four social security trust funds. The fourth is financed from appropriated general revenues for research or demonstration projects relating to social welfare or social security programs. Funds appropriated for this purpose are allocated on the basis of approximately 70 percent for projects related to the mission of the Welfare Administration and approximately 30 percent for projects related to the mission of the Social Security Administration. Expenditures relating to Welfare Administration projects are included under "Other social welfare."

OASDHI cash benefit payments to beneficiaries living abroad are included in all social welfare expenditure data except the per capita calculations (table IV). In addition to the cost of operating the program in the Department of Health, Education, and Welfare, administrative expenditures include reimbursement of Treasury expenses for social security purposes and reimbursement of the administrative costs incurred by private and other organizations in connection with the health insurance program for the aged.

Only administrative costs for the health insurance program are included in the fiscal year 1966 social welfare expenditures. Benefits began on July 1, 1966 under Parts A (hospitalization) and B (medical care).

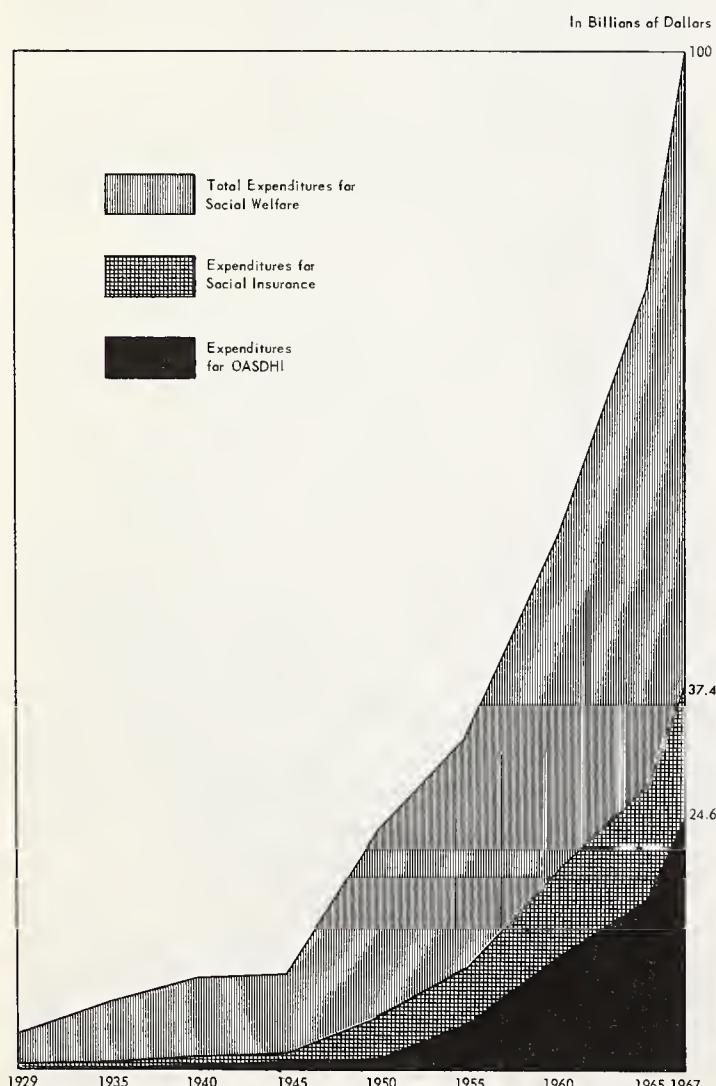
Two expenditure items from social security trust funds are not included in the social welfare series. One is refunds of employee tax overpayments and the other is the financial interchange with the railroad retirement system.

Refunds of employee tax overpayments are netted out of contributions in the trust fund accounts. The social security refunds are of a special nature stemming from the annual limit on taxable wages; an employee is entitled to the refund of any taxes withheld on wages above the maximum taxable amount (\$6,600 in 1966). The refunds usually arise as a result of employment by more than one employer, each of whom is required to withhold taxes on wages up to the maximum taxable amount.

The financial interchange between the railroad retirement and social security systems had its origin in the 1951 amendments to the Railroad Retirement Act. Its purpose is to place the social security system in the financial position

it would be in if railroad employment were covered under OASDHI and to make available to the railroad retirement system the savings realized by the OASDHI system due to the fact that railroad workers, who have a higher average age, have never been covered by social security. As a result of annual actuarial calculations by both systems, through June 1966 a net total of \$3.1 billion had been transferred to the railroad retirement account from the social security trust funds under the interchange. Interfund transfers under the interchange are excluded from the social welfare expenditure series because the expenditures for which they reimburse the recipient fund are accounted for in the benefit payments of that fund and their inclusion would duplicate those benefit amounts.

Chart 8.—Growth in aggregate dollar amounts of expenditures for total social welfare, social insurance, and OASDHI, 1929–67



SOURCE OF DATA

From the beginning of the program through January 1954 the primary source of social security financial data was the *Daily Statement of the United States Treasury*. Administrative expenses for fiscal years 1936 through 1940, covering the period of the old-age reserve which predated the OASI trust fund, were taken from unpublished agency documents. Since February 1954 the source has been a new, unpublished Treasury report keyed to the *Monthly Statement of Receipts and Expenditures of the United States Government*, and adjusted to the *Final Statement of Receipts and Expenditures of the United States Government*. Data on the cooperative research and demonstration grants program were gathered from agency records.

PROGRAM DEVELOPMENTS

The Social Security Act of 1935, which established the social security program, provided for tax collections to begin on January 1, 1937. From then until January 1940, the only benefits paid by the system were small lump-sum death payments and refunds to workers reaching age 65 who did not qualify for benefits. Regular monthly benefit payments to retirees were scheduled to begin in 1942, but the first amendments to the Act, in 1939, moved the starting date forward to January 1940, and made several other important changes. Growth to the present levels was achieved in several stages through further amendments, which extended coverage to additional occupational groups, and which broadened the scope of the benefits, raised the amount of individual and family benefits, covered additional risks, and liberalized eligibility requirements. The increase in annual benefit expenditures from \$5.4 million in fiscal year 1938 to \$19.8 billion in 1966 reflects all these factors.

Coverage.—The 1939 amendments removed the 65-year upper age limit so that the covered employment of all workers, both under and over 65, would be credited toward benefits. Legislation in the 1940s and early 1950s provided gratuitous wage credits for World War II and other military service.

In the major amendments of 1950, coverage

was extended (beginning January 1951) to regularly employed farm and domestic workers; most of the nonfarm, nonprofessional self-employed; Federal civilian employees not under a staff retirement system; and Americans employed outside the country by American employers. Coverage was also extended to residents of Puerto Rico and the Virgin Islands at that time; residents of Alaska and Hawaii were covered under the Act as originally passed in 1935. Voluntary group coverage was offered in the 1950 amendments to State and local government employees not under retirement systems, and to employees of nonprofit institutions, other than ministers. As a result of amendments in 1954 and 1956, almost all State and local employees were permitted to elect social security coverage and the compulsory program was extended to farm operators, members of the Armed Forces, and all the professional self-employed except physicians.

Workers in Guam and American Samoa were included in the program in 1960, and compulsory coverage was extended to Americans employed in the United States by foreign governments or international organizations and to parents working for a child except at domestic service or casual labor. Other minor extensions of elective coverage for State and local government employees and nonprofit institutions were effected during the late 1950s and early 1960s. In 1965 coverage was extended to self-employed doctors of medicine.

Eligibility.—With the extension of coverage, eligibility requirements for retirement and other benefits were also changed in order to give newly covered workers the same opportunity to qualify for benefits as workers covered under the original law. Under the 1939 amendments, a worker was generally eligible for benefits if he had worked in covered employment half the time (1 out of every 2 calendar quarters) after 1936 and before age 65 and had a minimum of 6 quarters. In 1950 the requirement was liberalized by providing a "new start" which advanced to 1951 the starting date for counting the quarters of coverage. Further liberalization of the work requirements (on a transitional basis) accompanied the extensions of coverage in the 1954 and 1956 amendments. Amendments in

1960 and 1961 gradually liberalized still further the 1 out of 2 rule so that at present a person is fully insured under the regular provisions of the law if he has credit for covered work roughly equal to one-fourth of the time (1 calendar quarter for each year) after 1950.

Each change in the insured status requirement has made it possible for additional numbers of older and newly covered persons to qualify for benefits, thus contributing to the rapid increase in expenditures for benefits.

The 1965 amendments eased the eligibility requirements for persons aged 72 and over who were not otherwise eligible for OASDHI cash benefits by introducing a "transitional insured status" under which, beginning in September 1965, benefits became payable to those with less than 6 quarters of coverage. Subsequently, the law was extended to provide special benefits to certain persons aged 72 and over who were not insured under either the regular or transitional provisions of the Act. These special benefits were first payable for October 1966, and do not show in the data for fiscal year 1966.

Scope of benefits.—The 1935 Act provided benefits only to retired workers aged 65 or over, but the 1939 amendments transformed social security from a simple retirement program into a family-centered program with benefits for retired workers' wives at age 65 and for their children under age 18, and for these and certain other survivors of deceased workers. Lump-sum payments, which originally were planned to be paid upon the death of all covered workers and to living workers not qualified for monthly benefits upon reaching age 65, became payable under the 1939 amendments only when the insured was not eligible for monthly survivor benefits. In 1950, lump-sum payments again became payable for all deaths.

Family benefits were further extended in 1950 when wives of retired workers became eligible at any age provided eligible children were present. Dependent husbands and dependent widowers aged 65 or over, and dependent divorced wives caring for eligible children of deceased workers also became eligible at that time.

The most important feature of the 1956 amendments was the initiation of insurance against a new risk—the total disablement of

workers aged 50–64. Benefits first became payable in July 1957. Disabled adult children of retired and deceased workers also became eligible if their disability occurred before they reached age 18 (effective January 1, 1957). Dependents of disabled workers became eligible under the 1958 amendments (effective September 1958), and in November 1960 disabled workers under age 50 became entitled to benefits. The 1965 amendments modified the definition of disability to require only an expectation that the impairment would last as long as 12 months, eased requirements for blind persons aged 55–64, and liberalized the insured status requirement for the blind under age 31.

Significant changes have been made in the minimum age at which retirement benefits become available. The 1956 amendments reduced the minimum age at which benefits became available to 62 for women workers and wives, with an actuarial reduction in the benefit amount, and for widows and dependent female parents, without reduction. In August 1961 benefits became payable to men at age 62—in the case of men workers and dependent husbands, with the same actuarial reduction of benefits as for women aged 62–64, and for dependent widowers and male parents, with no reduction in the amount payable. The 1965 amendments made available reduced benefits to widows aged 60–61, effective September 1965, and also extended the cut-off age for children's benefits from 18 to 22, provided the children were full-time students.

Level of benefits.—Social security benefits are calculated on the basis of a wage-related formula written into the Social Security Act. The 1939 amendments changed the basis for computing benefits from cumulative lifetime earnings to average monthly earnings in covered work after 1936, making it possible to pay reasonably adequate benefits to many workers then approaching retirement age and to their dependents. The 1950 amendments effected a similar result for people approaching retirement age at that period by allowing a worker's average monthly earnings to be figured on the basis of his earnings after 1950. Similar consideration was given to the groups newly covered by the program in 1954 and 1956 by allowing up to 5

years of low earnings to be dropped from the computation of average earnings. So that people already covered by the program would not be treated less favorably than the newly covered groups, these special provisions were made available to all workers who worked in covered employment after 1950, regardless of when their jobs were first covered.

Over the years benefits have been raised by flat-rate and percentage increases, and by revising the benefit formula to take into account changes in purchasing power, prices, and wage levels. Benefits were increased for all groups of beneficiaries, effective September 1950, September 1952, September 1954, January 1959, and January 1965. (These last increases were paid retroactively in September 1965 and thus are not reflected in the data until fiscal year 1966.) The benefit level has also been affected by the rise in the taxable and creditable wage base from \$3,000 a year in the original Act to \$3,600 beginning January 1951, to \$4,200 beginning January 1955, to \$4,800 beginning January 1959, and to a maximum of \$6,600 beginning January 1966.

Family benefits in the social security program are computed as a proportion of the worker's own benefit. The 1939 amendments, which instituted the family orientation of the program, provided a wife's benefit equal to 50 percent of the worker's benefit, a child's benefit of 50 percent, a widow's benefit of 75 percent, and a parent's benefit of 50 percent. All benefits were subject to a family minimum of \$10 and a maximum of \$85. The proportion of the wife's benefit and of that of the child of a retired worker has remained unchanged, but in 1960 and 1961 survivor benefits were raised to the present proportions of 82.5 percent for the widow, 75 percent for each surviving child, and 82.5 percent for one parent (75 percent each if both survive the worker). The family minimum in 1966 stood at \$44 a month and the maximum at \$368.

Another aspect of the program that has contributed to the growth in benefit payments is the liberalization of the retirement test—that is, the amount of earnings from work that a person may receive along with social security payments before the former affects the latter. When monthly benefits were first paid in 1940, benefits

were withheld for any month in which the beneficiary received covered wages in excess of \$14.99. As a result of successive changes, a beneficiary now (1966) may receive full social security benefits for all 12 months of the year, regardless of earnings, if he is aged 72 or over,

or at earlier ages if his earnings from all sources do not exceed \$1,500 a year. In the latter case, \$1 in benefits is withheld for each \$2 of earnings between \$1,500 and \$2,700, and \$1 in benefits is withheld for each \$1 of earnings above \$2,700.

Railroad Retirement

PREVIEW

The Railroad Retirement Act of 1935 created a staff retirement system similar to private pension plans and to the Federal civil service retirement system. First benefits were paid in July 1936. In less than 4 years, more than 100,000 railroad employees retired under the program, 50,000 pensioners were added to the rolls, and \$250 million in benefits were paid. Numerous amendments to the original law broadened the program into a comprehensive social insurance system including old-age, disability, survivor, and dependents' cash benefits. Today these benefits total \$1.3 billion a year and are received by nearly 1 million persons.

DESCRIPTION OF THE PROGRAM

The Railroad Retirement Acts of 1935 and 1937 established a comprehensive system of cash benefits similar to those provided under the OASDHI system (see page 33). Included are monthly benefits for railroad workers who retire on account of age or disability and for their wives or dependent husbands; monthly and lump-sum benefits to widows, children, and parents; and residual payments designed to insure that the worker and his family receive at least as much in benefits as the employee has contributed in taxes. If a worker at retirement has less than 10 years of railroad service, his railroad wage credits are transferred to the OASDHI system and counted toward OASDHI benefit eligibility. In June 1966, the retired worker's average railroad benefit was \$143.31 a month, that of an aged widow was \$79.11, and that of a child of a deceased worker, \$77.32.

In addition, under the 1965 amendments to the Social Security and Railroad Retirement Acts, hospital insurance and related medical

care coverage are provided aged railroad beneficiaries and employees on the same basis that applies to aged persons covered by the OASDHI program (see page 34).

The latest change in the program has been the enactment of a temporary system of supplemental annuities for certain career railroad employees who were awarded their regular retirement annuities after June 1966. These annuities, which amount to \$45 a month plus an additional \$5 monthly for each year of service over 25 (with a monthly maximum of \$70), were first paid in February 1967.

The railroad retirement system is a single industrywide program that since its inception has covered all employees of interstate railroads, associated companies and labor and management associations of the railroad industry. Unlike the OASDHI system, little of its growth is attributable to the broadening of coverage through the inclusion of additional occupational groups. Instead, the railroad retirement system has grown by broadening the scope of benefits and through liberalizations of the eligibility requirements and benefit formulas, which have resulted in increased individual benefits, as well as increasing the amount of creditable earnings.

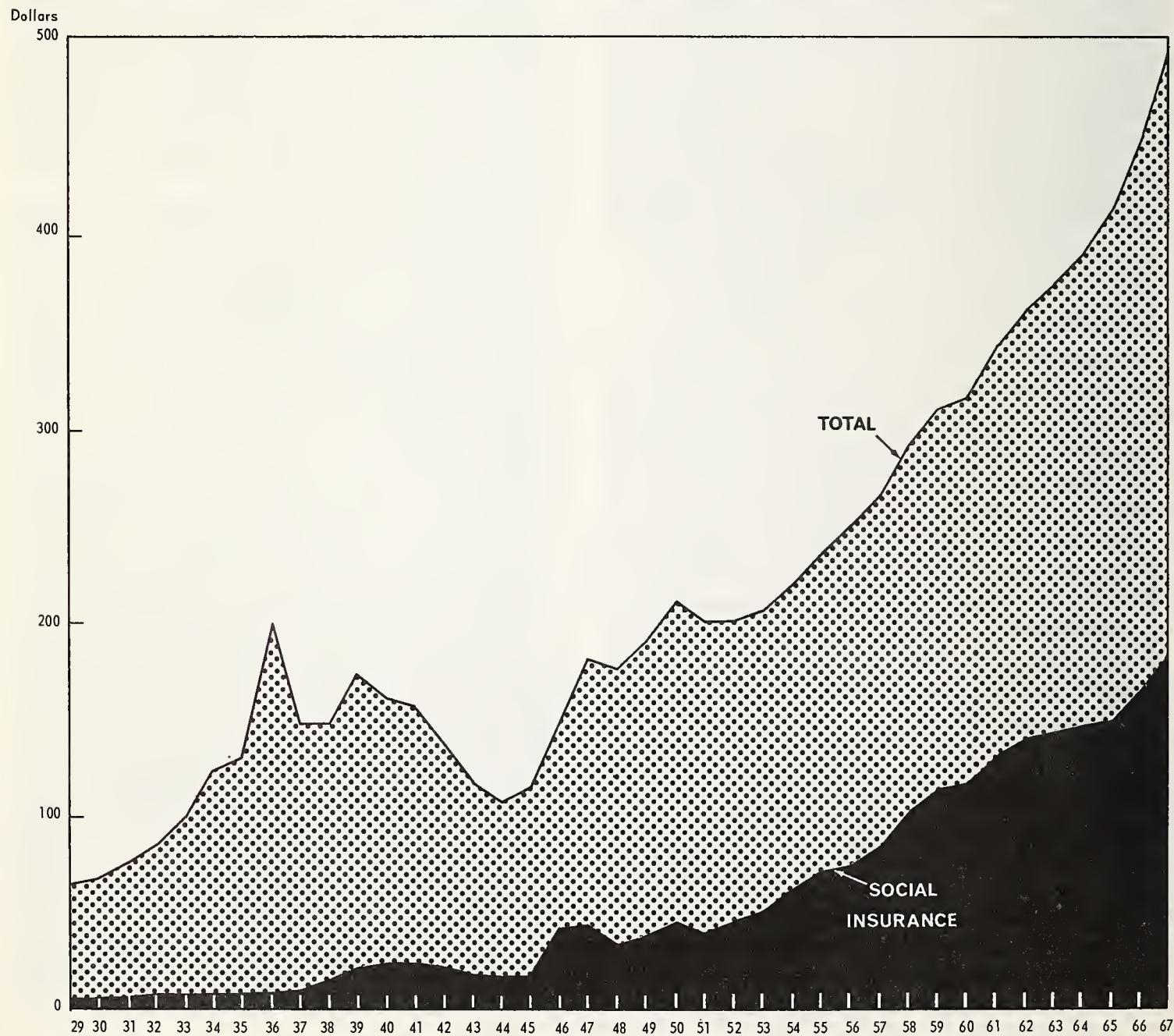
The railroad retirement program is financed by equal contributions from employers and employees in the form of payroll taxes on creditable wages. Over the years the contributions have risen from $2\frac{3}{4}$ percent each on the first \$300 of railroad earnings each month in 1937-39 (a total of $5\frac{1}{2}$ percent on an annual base of \$3,600) to 7.6 percent each on the first \$550 a month earned in 1966 (a total of 15.2 percent on \$6,600 a year). In addition, railroad employers and employees each paid 0.35 percent of payroll for hospital insurance protection in the initial year 1966. The temporary supplemental

annuity program is financed by a tax on employers of 2 cents per man-hour paid for. The annuities are reduced by the amount of private pension payments attributable to the employer's contribution, and the firm receives tax credits equal to the reduction.

Since July 1943 the Federal Government has appropriated general funds to finance wage credits for railroad employees serving in the Armed Forces. Contributions from the railroads and their employees, plus transfers under the financial interchange from the social security trust funds, and the current military service credit appropriations, are deposited in

a trust fund called the railroad retirement account, which is maintained in the U.S. Treasury. The hospital insurance contributions are transferred into the hospital insurance trust fund under provisions similar to those governing the financial interchange. The depository for the taxes under the temporary supplemental annuity program is a new fund, titled the railroad retirement supplemental account, from which the supplemental annuities and the applicable administrative expenses are paid. All other aspects of the program are administered by the Railroad Retirement Board, an independent agency of the United States.

Chart 9.—Per capita expenditures in constant 1967 dollars for total social welfare and social insurance, 1929–67



NATURE OF EXPENDITURES

All expenditures included in the series through fiscal year 1966 come out of the railroad retirement account. They include the monthly benefit payments to the several categories of beneficiaries, the lump-sum death payments (including residual payments), and the cost of administering the retirement program by the Railroad Retirement Board and the Treasury Department.

As noted in the OASDHI section, transfers under the financial interchange provisions are excluded from the series. Hospital and medical benefits, which were not available until July 1, 1966, are not reflected in the social welfare series to date. Neither are the supplemental annuities which were first paid in February 1967.

SOURCE OF DATA

Financial data for railroad retirement are from the *Annual Reports* of the Railroad Retirement Board, mostly the 1966, the 1961, and the 1955 issues.

PROGRAM DEVELOPMENTS

Among the major differences in the historical development of the OASDHI and railroad retirement systems is the order in which various beneficiary groups became eligible. The railroad retirement system was first envisioned as a staff retirement plan similar to private pension plans and the Federal civil service retirement program; benefits were calculated by multiplying some percentage of average wages by number of years' service. Benefits were first payable for age and service retirement and—under severely limited conditions—for disability retirement.

Scope of benefits.—As the railroad retirement system developed into a genuine social insurance program with account taken of the economic needs of entire families, close coordination with the OASDHI system was established by statute. In 1946 survivor benefits patterned after OASDHI survivor benefits were legislated, and in 1951 not only were wives' benefits provided, but a new special minimum benefit directly related to that provided under the Social Security Act was introduced. No

benefits are payable specifically for minor children of retired living railroad annuitants, although children together with parents of workers are included among eligible survivor beneficiaries, as under OASDHI. However, a special minimum guaranty provision (which assures that the worker's total monthly benefits must be at least equal to 110 percent of the amount he and his family would receive under OASDHI) has the effect of including the children of a living annuitant if his benefit plus that of his wife total less than the OASDHI minimum.

To be eligible for disability retirement under the terms of the original Act, a worker had to have at least 30 years of service and be totally disabled for any regular gainful employment (actuarially reduced benefits were available at age 60 for those with less than 30 years' service). In 1946 the eligibility requirements were liberalized to include a worker unable to work in his regular railroad occupation at any age with 20 years' service, or at age 60, provided he had a current connection with the railroad industry. The 1946 amendments also reduced the total disability service requirement to 10 years and eliminated the actuarial reduction at age 60.

Since 1951 all periodic railroad retirement benefits have required a minimum of 10 years of railroad service. Railroad service of less than 10 years (after 1936) is creditable toward OASDHI benefits.

Eligibility requirements for nondisability retirement have also been liberalized over the years. The 1937 Act made full benefits payable to retirees at age 65 and provided for reduced benefits at age 60 with 30 years' service. Female workers aged 60–64 with 30 years' service became eligible for full benefits in 1946. Women could qualify for reduced benefits at age 62 with 10–29 years' service beginning in 1959, and men, in 1961. Wives aged 62 without minor or disabled children became eligible for reduced annuities in 1959.

Level of benefits.—Statutory changes have also raised the level of benefits numerous times over the years. The changes have been in the form of straight percentage increases—e.g., in 1948, 20 percent; in 1951, another 15 percent—which were reflected by corresponding changes

in the factors in the benefit formula. The original retirement benefit formula multiplied the years of service by the sum of the following percentages of monthly compensation: 2 percent of the first \$50, 1½ percent of next \$100, and 1 percent of the following \$150. The current formula (which became effective in November 1966) multiplies the years of service by the sum of these percentages: 3.58 percent of the first \$50; 2.69 percent of the next \$100; 1.79 percent of the next \$300 and 1.67 percent of the remainder. The minimum annuity formulas also have

been liberalized. Survivor annuities were raised in 1951, and subsequently further increased by the special guaranty that all railroad benefits cannot be less than they would have been if calculated under the Social Security Act formula. (In 1959, the guaranteed minimum was raised to 110 percent of OASDHI benefits.) The importance of the special guaranty is indicated by the fact that at the end of 1965 it was the basis for 68 percent of all monthly railroad survivor benefits and 10 percent of retirement benefits in current payment status.

Public Employee Retirement

PREVIEW

Public employee³ retirement programs in the United States range from a few semi-formal local systems covering a handful of public servants to the Federal Government's civil service retirement program covering 2.5 million persons. The modest beginnings of these many programs, their growth and development into broad-scaled social insurance programs whose combined annual benefits now total \$5.1 billion, are detailed in this section.

Under the Civil Service Retirement Act, as passed in 1920 and progressively amended since, annuities are provided to qualified Federal employees who retire because of age or disability, to the widows and minor children of employees who die, and, in certain circumstances, to the survivors of annuitants. Such benefits currently (1966) total almost \$1.6 billion a year.

Other Federal contributory retirement sys-

tems, covering the employees of the Foreign Service, the Federal Reserve Banks, the Tennessee Valley Authority, and the Federal judiciary (for survivor benefits), offer a variety of benefits currently valued at \$22 million a year. Retirement benefits under noncontributory systems—for members of the Armed Forces, certain services that become a part of the military establishment in time of war, and the Federal judiciary—currently total \$1.6 billion a year.

At the State and local level, more than 6 million government employees, or about 3 out of every 4, have retirement coverage under some 2,300 general or limited-coverage special staff retirement systems.

In the section that follows, these public employee retirement systems are discussed under the following headings: (1) Federal civil service retirement, (2) Other Federal contributory, (3) Noncontributory Federal (mainly members of the uniformed services), and (4) State and local government employees.

³As used in this section, the term "public employee" includes employees of the Federal Government, both civilian and military, and employees of governments of States, cities, counties and all other local units. "Public employee retirement" refers to staff retirement systems only. OASDHI benefits paid to government employees are included with all other OASDHI benefits, but benefits paid under State and local government systems to employees with dual coverage are counted with the State and local staff retirement systems discussed in this section. District of Columbia teachers, firemen and policemen are under city-administered retirement systems; their benefits are included with the State and local systems. General employees of the District, however, are under the Federal civil service retirement system and their benefits are reported under that system.

Federal Civil Service Retirement DESCRIPTION OF THE PROGRAM

The basic employee retirement system for permanent, full-time civilian employees of all branches of the Federal Government is that operated under the Civil Service Retirement Act of 1920, as amended. Several additional Federal retirement systems—many of which

precede 1920—offer protection to certain employee groups whose employment is of a special nature (see following sections).

The Federal civil service retirement system is a compulsory, contributory staff retirement program that provides protection against the economic risks of old age, disablement, and death. Benefits are related to past earnings in the public service and to length of service. The program currently covers about 2.5 million employees with an annual payroll of about \$17.5 billion. Excluded from coverage are a varying number of temporary and part-time employees who are protected by OASDHI.

Under the Civil Service Retirement Act, annuities are payable to qualified employees who retire because of age or disability, to the widows and minor children of employees who die, and, in certain circumstances to the survivors of annuitants. Employees who leave the government with fewer than 5 years of service receive a refund of the amount they have paid into the retirement fund (with interest if service exceeds 1 year). Employees who leave the government after 5 years of service may either withdraw their deposits or allow them to remain in the fund to provide the basis for a deferred annuity at age 62.

The program is financed by employee contributions, currently 6½ percent of basic salary, matched by equal contributions from the employing agency. In addition, the Federal Government through congressional appropriation is responsible for the balance of the cost of the program, including deficiency costs which are currently estimated at somewhat over 9 percent of payroll. Employees may also make voluntary contributions, which are used to purchase additional annuities. The funds collected are deposited in the civil service retirement and disability fund and are invested in Government securities. The Civil Service Commission administers the program.

NATURE OF EXPENDITURES

By law, the only permissible expenditures from the civil service trust fund are for periodic benefit payments to annuitants; lump-sum death payments (consisting of the payment of the

deceased employee's contributions to his estate or his beneficiary and the return of any contribution balance over benefits received by deceased annuitants); refunds of contributions to employees leaving the Federal service, and beginning in fiscal year 1966, administrative expenses of the system. The periodic and lump-sum death payments (including additional annuities purchased through voluntary contributions) are included in the social welfare expenditure series. Refunds are excluded on the grounds that they represent merely the return to the employee of his own forced savings during public employment; once he leaves they no longer represent payments to meet a specific risk against which the retirement system "insures." Also in the series are the administrative expenses of the retirement system, which before fiscal year 1966 came out of the general funds appropriated for the operating budget of the Civil Service Commission.

The civil service series includes expenditures of three separate Federal retirement systems⁴ during periods when the systems were combined with the Civil Service Retirement System. For periods during which the systems retained their individual identities and separate data were available, their benefits were included in the grouping "Other Federal contributory retirement systems," or "Federal noncontributory retirement systems" (see following sections). Two of the three were administered by the Civil Service Commission even when they were separate retirement systems; their administrative expenses form a small and indistinguishable part of civil service retirement administration in those years.

SOURCES OF DATA

Benefits.—Civil service monthly benefits are from the following Civil Service Commission *Retirement Reports*: Data for fiscal years 1929 through 1941 are from the 1941 *Retirement Report*, table 4; data for fiscal years 1942 through 1953 are from the 1962 *Retirement Report*, table C-1. The cited tables also contain

⁴ The Panama Canal and Canal Zone Railroad, Alaska Railroad, and Comptroller of the Currency retirement systems.

figures on lump-sum "payment of refunds and death claims," including interest. Since refunds to those leaving government service are excluded from the series, a split in the data is needed. The earliest data providing a split between refunds and death payments begins with fiscal year 1936 (*1941 Retirement Report*, table 6). Death payments for fiscal years 1936 through 1939 amounted to an average of 59 percent of total "refunds and death claims." Therefore, on the assumption that the ratio was not too dissimilar in the earlier years, 59 percent of the combined refunds and death payments for fiscal years 1929 through 1935 were classed as lump-sum death payments and added to the annuity payments to produce a total benefits figure for each year.

For fiscal years 1954 through 1966, data provided by the Civil Service Commission have been used. These data include the death payment portion of "refunds and death claims" with the other types of benefits.

Administrative expenses.—The Commission has provided the administrative expense figures, combined for all programs it administers, for all fiscal years beginning with 1943. The Commission also provided salary data for the period 1937-38 through 1941-42, with the suggestion that 10 percent be added to cover the "expenses" portion of the "salaries and expenses" which ordinarily constitute total administrative expenses of a program. This was done. For fiscal years 1929 through 1937, administrative expenses were estimated by assuming the same relationship between benefits and administrative expenses as existed in fiscal year 1938.

PROGRAM DEVELOPMENTS

The increased expenditures under the Federal civil service retirement system since 1929 can be attributed to many factors. Some of them, such as rising wage and salary levels and liberalizations to broaden coverage and the scope and level of benefits, are common to most other retirement programs, including OASDHI. Other factors may be more distinctive of the civil service system, such as the long-term effects of maturing the system and the rapid growth in Federal employment as the Federal Government

increased the scope of its activities during the depression and World War II.

Coverage.—The number of Federal employees covered by the civil service retirement system increased from about 300,000 in 1920 to approximately 400,000 in 1929. The law at that time covered essentially permanent, classified service employees of the Federal Government and the District of Columbia municipal government plus a few small groups of nonclassified Federal employees, including certain classes of postmasters.

By the eve of World War II, the number of covered Federal employees had increased to nearly 600,000. The number increased to a high of 3 million in 1944, then dropped to little more than half that number during the postwar years, when it leveled off at about 1.7 million. The number of covered Federal workers gradually rose again until it reached 2.5 million in 1966.

Most of the increase in the number of covered persons is directly related to the increase in the number of workers employed by the Federal Government. Some of the increase, however, can be traced to extension of coverage to workers in previously noncovered agencies. In the 1930s, the system was extended to include employees of the Indian Service, the Federal Bureau of Investigation, State Department employees outside continental United States who were not within the Foreign Service, and employees of the legislative and judicial branches by election (mandatory in 1942 for the judicial employees).

In 1942 amendments to the law ended the coverage distinction between the classified and the unclassified service, covering all employees on the same basis. Since 1946 members of Congress (covered first in 1942 but later removed from eligibility) have had elective coverage. A few additional groups have since been brought in, e.g., civilian teachers at the Naval Academy (1956), certain temporary rural mail carriers (1958), and employees of county soil conservation programs.

Scope of benefits.—Benefits for superannuation and disability retirement were established in the original Civil Service Retirement Act of 1920. Survivors of annuitants first became eligible for periodic benefits in 1940 upon elec-

tion of a reduced annuity by the retiring employee. Survivors of active employees first became eligible in 1948.

Under the original terms of the Act, old-age retirement was mandatory at age 62, 65, or 70 according to the hazardous, unhealthy, or strenuous nature of the job. Optional retirement, introduced in 1930, afforded employees the opportunity of retiring 2 years before reaching the mandatory age without an actuarial reduction in benefits. Mandatory retirement at age 70 after 15 years of service was introduced in 1942 for all employees of the Executive Branch, and optional retirement requirements were liberalized to age 60 and 30 years' service, age 62 and 15 years' service, and—with actuarial reductions in the benefit amount—between age 55 and 60 with 30 years. A discontinued-service annuity was introduced, under which benefits became payable at age 62 after 5 years' service. In 1947 certain personnel of the Federal Bureau of Investigation were given the option of retiring at age 50 with 20 years of service; this provision has since been extended to other groups. Effective July 1966, optional retirement without actuarial reduction of benefits was extended to all employees aged 55 or over with 30 years of service and employees aged 60 with 20 years' service.

In recognition of fluctuations in the government's personnel needs, the civil service retirement system almost from its beginning has protected long-term employees who are involuntarily separated through no fault of their own, by a system of immediate and deferred benefits. At present only 5 years' service is required for such vesting and separation may also be voluntary. There is no vesting for survivor benefits, however.

Under the 1920 Act disability benefits were payable after 15 years' service only for total disability for any job. This was liberalized in 1926 to disability for the job occupied. The 1930 amendments reduced the service requirement to 5 years, and from 1948 onward the 5 years had to be in civilian service.

Survivor annuities to families of employees could begin immediately, under the 1948 amendments, if there were children present; if not, the widow could qualify at age 50. Children's

benefits were terminated at age 18, but annuities for the mothers continued irrespective of their age. All reference to the widow's age was subsequently removed (1956). Although benefits to surviving spouses of annuitants are available only by election at retirement, benefits to children of deceased annuitants are provided on the same basis as for children of deceased employees. In 1962 the age limit for children's annuities was extended to 21, provided the recipient was a full-time student. In 1966 the age was raised to 22.

Level of benefits.—Civil service retirement, disability, and survivor benefits are determined according to a combination of wages and years of service. The exact formulas are written into the Retirement Act and have been amended many times since the Act was passed. In addition, Congress has voted flat-rate and percentage benefit increases.

The formula in effect in 1929 was the average salary for the final 10 years up to a maximum of \$1,500 multiplied by the number of years of service up to 80, with the product divided by 45. Under these limitations \$1,000 was the maximum annual benefit, rounded to the nearest multiple of 12 (monthly payments); there was no minimum.

The 1930 amendments liberalized the average salary to "any 5 consecutive years" of allowable service, generally the highest, and raised the maximum usable average salary to \$1,600. A minimum feature was also provided under which the annuity was calculated by multiplying the average salary (not exceeding \$1,600) by the number of years of service (not exceeding 30) and dividing by 40. For nearly two decades this method was used in computing the majority of annuities.

In 1938 the method of crediting prior non-contributory service was liberalized, resulting in somewhat higher annuities. In 1942 up to 35 years' service could be used in the benefit computation, and in 1946 existing annuities were recalculated on the 35-year basis when advantageous to the annuitant.

Major changes incorporated in the 1948 amendments removed all limitations on use of Federal service in computing benefits. They also set a new maximum annuity of 80 percent of

the highest average annual salary for any 5 consecutive years and established a simpler and somewhat more liberal method of calculation. The new widow's benefits added that year became one-half (later raised to 55 percent) of the amount due the employee had he taken the single life annuity. Child survivor annuities, while nominally based on the parent's salary and length of service, were often flat amounts because of low maximum provisions.

The amendments of July 31, 1956 constitute the only complete revision of the Retirement Act since 1930. Under the 1948 amendments, annuities were computed on the basic formula of 1½ percent of the average annual salary for the highest 5 consecutive years times the years of service (for average salaries up to \$5,000: 1 percent plus \$25 times years of service). The new formula added by the 1956 amendments multiplied the "high-5" average by 1½ percent for the first 5 years' service, 1¾ percent for the next 5, and 2 percent for all years over 10, retaining the 1 percent plus \$25 for low-salaried personnel. The 1956 formula is the one that is applicable today.

In addition to this liberalization of the formula, the 1956 amendments provided a minimum annuity for disability retirement of 40 percent of the highest 5-year average annual salary but not more than if the employee had worked to age 60 at the same "high-5" average, lowered the reduction required in employee annuities to provide survivor benefits, also decreased the reduction in annuities for optional retirement before age 60, and materially increased survivor annuities for dependent children.

Benefits for those on the rolls have been increased at frequent intervals; during the last decade and a half this occurred in 1952, 1955, 1958, 1963, and in 1965.

In 1962 permanent legislation was enacted automatically tying annuities to the cost of living. As amended in 1965, the law provides that whenever the consumer price index shows an increase for each of 3 consecutive months of at least 3 percent over the last base period, all annuities must be increased by the highest percentage shown in the 3-month period.

Other Federal Contributory Retirement

PROGRAM DEVELOPMENTS

In addition to the civil service system, seven other Federal contributory retirement systems have been in the public employee retirement group at some time since 1929. Four of them are still in the group; the other three were absorbed by the civil service retirement system at the dates indicated. The Canal Zone and the Alaska Railroad retirement systems, originally part of the civil service retirement system, were established as separate systems—the first in 1931, the second in 1936; in 1949 both were reincorporated in the civil service system. The retirement system of the Office of the Comptroller of the Currency, operated as a separate system from its inception in 1937, was merged into the civil service retirement system in 1948. The four systems operated independently of the civil service system are: the Foreign Service retirement system, which predates the social welfare expenditure series and is included therein from 1929 on; the retirement systems of the Federal Reserve Banks, included from 1935 when benefit payments were first made; and the Tennessee Valley Authority retirement system, included from its beginning in 1939. These three systems pay benefits for superannuation, disability, and death. The fourth is not actually a system, but a contributory adjunct to a noncontributory system: In 1956 retirement provisions for the Federal judiciary were broadened to provide survivor annuities on an elective basis, financed out of contributions by the judges and the government. For statistical purposes the survivor program is counted among the other Federal contributory retirement systems.⁵

Like the civil service system, the other Federal contributory systems have enjoyed a cer-

⁵ Two contributory retirement systems were established in 1964. One was for judges of the D. C. Court of General Sessions, Juvenile Court, and Court of Appeals (which may eventually be classified as another of the State and local retirement systems aggregated annually by the Census of Governments, or which may be added to the list of separate Federal systems), and one for the Central Intelligence Agency. No data are yet available for either system.

tain amount of growth. The increased expenditures up to now represent for the most part increased employment rather than extension of coverage to new groups. Growth of the Foreign Service retirement rolls, for example, is a concomitant of the enormous growth of the Foreign Service in the postwar decades. In addition, however, a 1960 amendment to the Foreign Service Retirement Act brought into that system all Foreign Service staff personnel who had acquired at least 10 years of service, the system having previously been limited to Foreign Service officer personnel. Since there were a large number of new staff appointments in 1954 and 1955, many additional persons will acquire eligibility for Foreign Service retirement system membership in 1964 and 1965, with predictable effect on the retirement rolls in future years.

NATURE OF EXPENDITURES

Expenditures for the "Other Federal contributory systems" consist of monthly benefit payments, lump-sum death benefit payments where applicable, and—for some systems only—administrative expenses. Administrative costs are included for the retirement system expenditures of the Federal Reserve Banks, the Foreign Service and the Tennessee Valley Authority. Even when Panama Canal and Alaska Railroad retirement systems were separate, they were administered by the Civil Service Commission and their administrative expenses are not available separately from those of the civil service retirement system. Administrative expenses of the Comptroller of Currency system and for the judiciary survivors program are not available. Refunds of contributions are excluded from the series.

SOURCES OF DATA

Annuity data for the Panama Canal and Alaska Railroad systems for the years that these systems were operated independently of the civil service system were taken *in toto* from the 1949 *Civil Service Commission Retirement Report*, tables 9 and 11. A similar break between refunds and lump-sum death payments to that for the civil service system was estimated by

percentage ratios for these systems. Benefit data for the Comptroller of the Currency system comes from the files of the Social Security Administration which list as sources the annual reports of the Comptroller and correspondence with the Department of Commerce.

Foreign Service system benefit data for the period 1929–32 are taken from the Report (Part I) of the findings and recommendations of the Committee on Retirement Policy for Federal Personnel (the Kaplan Committee).⁶ The data from 1933 to date have been obtained by correspondence with the Department of State. The administrative costs of providing Foreign Service retirement are not paid out of the Foreign Service retirement trust fund but are met from the general appropriation of the Department of State, and data for this expenditure are available separately only beginning with 1954. For the 1929–53 period, these costs therefore have been estimated on the basis of the available data and on the growth of the system as reflected in benefits paid, number of active members, number of retired annuitants, and (after 1940) survivors.

All data on benefit payments and administrative costs of the retirement system of the Federal Reserve Banks were supplied by that system's retirement office. The figures are for the fiscal year of the system, March 1 to February 28, beginning with the first year of benefit payment which ended February 28, 1935. The data include a small separate program for employees of the Board of Governors of the Federal Reserve System.

The Tennessee Valley Authority retirement system has supplied a complete annual series of total benefits plus administrative expenses, on an expenditure basis, dating from the first benefit year, fiscal 1940.

The Administrative Office of the United States Courts supplied all the annual data on benefits paid to survivors of the Federal judiciary. Administrative expenses for the survivor benefits system are not available separately;

⁶ *Retirement Policy for Federal Personnel*, Senate Document No. 89, 83rd Congress, 2nd Session (Washington: U.S. Government Printing Office, 1954).

they are part of the annual appropriation for the whole administrative expenses of the Federal judiciary.

Federal Noncontributory Retirement PROGRAM DEVELOPMENTS

In 1929, the first year of the social welfare expenditure series, all but two of the Federal noncontributory retirement systems in the present group were already well established. The systems in being covered members of the Armed Forces (separately at that time by branch of service); the Environmental Science Services (formerly the Coast and Geodetic Survey), the Coast Guard (including the former Lifesaving Service and, from 1942 on, the former Lighthouse Service),⁷ and the commissioned officer corps of the Public Health Service (the three latter services become part of the military establishment in wartime); and the Federal judiciary. All these systems have in common the fact that their retirement benefits are regarded as constituting "retired pay" to superannuated or disabled members who, with one exception, may be called back to active duty at any time.

The exception concerns members of the Federal judiciary (appointed for life) who resign rather than retire. Resigned judges may not be recalled, and they do not receive increases in pension benefits as do retired judges when the salary of the office is raised. In 1954 Congress authorized gratuitous monthly payments at the rate of \$5,000 a year to widows of deceased active, retired, or resigned Supreme Court Justices. (Survivor benefits for the rest of the Federal judiciary, elective and contributory by both the judges and the government, began in 1956; they are included among the "Other Federal contributory programs.")

Upon the 30th anniversary of the completion of the Panama Canal, in 1944, Congress approved a gratuitous monthly pension plan for those Canal employees of the construction period who were citizens of the United States

and for certain of their remarried widows based on percentage of base pay and years of service over 3. This program is also administered by the Civil Service Commission.

In 1954 a separate retirement system for Tax Court judges began making benefit payments on the basis of irrevocable election before retirement. These judges had been covered under the Federal civil service retirement system since 1946, but from the institution of the Tax Court in 1925 through 1945 they had had no retirement protection of public nature. Under the 1954 system the judges were allowed to elect judicial retirement pay and waive all civil service benefits for themselves and dependents (and stop contributing to the system) or continue civil service contributions to provide survivor benefits. In 1962 noncontributory survivor benefits became payable under the separate system, which is administered by the Personnel Office of the Tax Court.

By far the most important noncontributory program in terms of numbers affected and aggregate benefits is that for the Armed Forces. Under the Career Compensation Act of 1949, which is now in effect, the program applies to commissioned officers, warrant officers, and enlisted personnel of the Army, Navy (including the Fleet Reserve), Marine Corps, and Air Force. In general, male and female members of these services may retire after 20 years of service (before 1949, 30 years were required) at retirement pay equal to 2½ percent of monthly base pay at time of retirement for each year of service. Maximum retirement pay is 75 percent of base pay.

Historically, retired pay has been based on the current pay of active duty personnel of the same rank and changed to keep pace, but this feature was eliminated in 1958. In 1962 a cost-of-living provision was added, similar to the civil service cost-of-living provision, described above. Two increases have so far been granted under this provision, one in 1965 (4.4 percent) and one in 1966 (3.7 percent).

Also beginning in 1949, disability retirement benefits became available to members of the Armed Forces adjudged to have a 30-percent or greater disability. (With less than that degree of disability, disability severance pay is available,

⁷ Gratuitous benefits to widows of former Lighthouse servicemen were instituted in 1950 under the Civil Service Commission.

but that is not part of the retirement program.) Prior to October 1949, disability retirement at 75 percent of base pay was available for officers without regard to length of service, and for enlisted men with 20 years' service. Other disabled enlisted men were certified to the Veterans Administration for disability compensation. (Veterans' pensions and compensation are treated in another portion of the social welfare expenditure series.)

At present, the scale of disability retirement pay is directly related to the degree of disability—e.g., 30 percent disability produces 30 percent of base pay; 100 percent disability, 100 percent of pay. After 20 or more years of service a disabled person has the option of taking the regular 50-percent retirement pay or benefits based on his disability percentage, if that will yield a higher amount. (Some disability retirees prefer to waive their Armed Forces disability retirement pay and apply instead for a veteran's pension; the amount of the latter is sometimes higher.)

Survivor benefits first became available in 1953 under the Uniformed Services Contingency Option Act of that year. Under the contingency option plan—changed by amendment in 1961 to “retired servicemen's family protection plan”—survivor benefits may be provided by a member of any of the uniformed services (Armed Forces, Environmental Science Services, Coast Guard, Public Health Service) who elects to accept reduced retirement pay during his lifetime. These benefits are financed solely by the elected permanent reductions in retirement pay; there is no government contribution.

In 1929 there were no more than 255,000 active members of all the separate military retirement systems, and retirement benefits were being paid to no more than 15,000 persons. Active membership rose to about 334,000 just before World War II, reached a peak of more than 12 million in May 1945, decreased to about 3 million a decade later and has since remained within 1/2 million of that number. The separate services were amalgamated under the 1949 amendments to the National Security Act which formed the Department of Defense. The joint retirement roster numbered about 100,000 in 1950, and grew to 155,000 in 1953 just before

elective survivor benefits were added. By 1960 there were 256,000 on the rolls; and in June 1966, 530,000, of whom 5,150 were survivor families.

Since, until 1958, benefits were tied to current pay scales, retirement pay rose in equal steps with active duty pay. In 1930, for the Army, retired pay totaled about \$20 million and averaged in the neighborhood of \$1,700 a year. By 1948 the average had risen to about \$2,300, and by 1953, for the combined services, to more than \$2,400 a year. In 1966 average retired pay—excluding survivor payments—was about \$3,150 a year.

NATURE OF EXPENDITURES

Expenditures for the Federal noncontributory retirement systems include monthly “benefit” payments only. The 6-month gratuity pay to survivors of active duty service personnel is not included in the social welfare series because of the difficulty that would be involved in separating such data from other payroll items. Administrative expenses are not included: For the noncontributory systems and programs administered by the Civil Service Commission these expenditures are included with civil service retirement benefits; for other systems they are not available. Retirement administration for the latter systems has been regarded as incidental to the personnel and payroll functions and has not been accounted for separately by the agencies.

SOURCES OF DATA

Military retirement.—The Office of the Secretary of Defense has supplied a continuous series of “obligations” for the retired pay of military personnel, by service, for the fiscal years 1937–66. For the period 1929–36 the comparable figures were taken from the annual *United States Budget* volumes. The services are the Army, Navy (including Fleet Reserve), Marine Corps, and, beginning 1950, the Air Force.

In programs of this type, obligations data coincide very closely with expenditure data. Adjustments are usually made during each year for differences between the estimated number coming on and going off the rolls and the actual

changes that occur.

Environmental Science Services Administration (formerly *Coast and Geodetic Survey*).—Retired pay for fiscal year 1929 was estimated by the Social Security Administration on the basis of the general trend in the first few years of the 1930s. For the period 1930–45 *U.S. Budget* obligation data were used. For the years 1946–53 obligations data were supplied by the Coast and Geodetic Survey; since 1954 data on actual expenditures for retired pay have been supplied by the Survey and the Environmental Science Services Administration annually, with revisions.

Coast Guard (including former Lifesaving and Lighthouse Services).—Data for the years 1929–52 were taken from Kaplan Committee Report (Part I);⁸ for the period 1953–66 they were supplied by the Commandant of the Coast Guard. All data for widows of lighthouse servicemen are from the Civil Service Commission.

Data for Federal judiciary retirement for all years was supplied by the Administrative Office of the United States Courts, and for the Tax Court judiciary by the Budget and Fiscal Office of the Tax Court. Public Health Service retirement data for the period 1929–66 were supplied by the Service's Finance Officer and the DHEW Central Payroll Office. Annuity data for the Panama Canal construction workers for 1945 through 1963 are from the Civil Service Commission's *Retirement Report*, 1963, table C-10; for 1964–66 it is from an unpublished Commission report.

State and Local Government Employee Retirement

DESCRIPTION OF THE PROGRAMS

About three-fourths of all State and local government employees today have retirement coverage under some 2,300 general or limited-coverage special staff retirement systems administered by the States or localities, usually in addition to coverage under OASDHI. The systems vary in their provisions, but almost all of them, like the Federal civil service retirement

system, require contributions from both the employees and the employing government. Such plans almost always guarantee the participant that benefits will be at least as large as the employee's contributions. Contributions are deposited in trust funds administered by State or local government agencies.

The State and local retirement systems are reported as a unit in the social welfare expenditure series. The distinction between State systems and local systems that applies here pertains to placement of responsibility for retirement system administration, rather than to employee coverage. Many of the State-operated plans cover employees of local governments rather than or in addition to personnel of the State government itself, and some locally administered systems extend coverage to employees of other levels of local government. Local government personnel represent about two-thirds of all members of State systems at present, with State employees making up the remaining third.

With the multiplicity of individual retirement systems there is a very wide variation in provisions for coverage, scope, eligibility for benefits, number and size of individual benefit, benefit formulas, cost of administering the system, and provisions for leaving the system. The majority of the plans permit retirement for disability as well as advanced age, and provide some reduction in benefits for retirement before age 60 or 65. Usually an employee must have had a considerable period of service to qualify for or receive a substantial annuity. Employees in dangerous occupations often have the option of retiring at any age after completing 20 years of service.

Commonly, the plans provide retirement benefits equal to about 50 percent of the highest 5-year average wage after 30 years of service. Many of the systems provide vesting, so that a person who leaves government service before reaching retirement age can later qualify for an annuity. Employees often also have the option of having their contributions returned if they leave government service.

Except for special systems for policemen and firemen, most of the programs make only limited provision for the survivors of employees or an-

⁸ *Op. cit.*, p. 268.

nuitants who die. Generally, it consists of a refund of contributions or continuing payments to the survivors of an annuitant who has chosen to take a reduced payment for himself during his lifetime.

Almost all full-time State and local employees now have retirement protection through special staff systems, the Federal OASDHI system, or a combination of the two. More than half of these employees are covered under both social security and a special pension system.

NATURE OF EXPENDITURES

Four types of expenditures are made from the trust funds of State and local contributory retirement systems, three of which are included in the social welfare expenditure series. They are (1) regularly recurring (monthly) benefits to former employees who have retired because of age, length of service, or disability, and regularly recurring survivor benefits; (2) lump-sum survivor benefits, often consisting of the return of the deceased employee's contributions with or without interest, or of the deceased retiree's contributions less any benefits he may have received; and (3) direct administrative costs of operating the systems and related incidental payments. The excluded fourth type of payment is withdrawals of contributions by active members who leave the system before retirement.

Through 1958 the data apply to the 48 conterminous States. Alaska is included beginning in 1959, Hawaii in 1960.

The series also includes another type of expenditure—noncontributory pensions and gratuities—which is financed solely by the employing governments without participation by the employees and usually without invested trust funds. At one period, noncontributory retirement pensions and gratuities payable upon the death or disablement of a breadwinner played a significant role in State and local provisions for their employees or surviving families.

Noncontributory pensions were reported by the Census separately from other payments to beneficiaries for the years 1941 through 1950. During that period State gratuities increased gradually from \$3.9 million a year to \$10.2 million. Gratuities reported for systems in cities of

over 100,000 population were \$4.7 million and \$5.0 million, respectively, in 1941 and 1942; for cities of over 250,000, they were \$3.3 million in 1943, and increased in each subsequent year to \$8.1 million in 1950. They rose from 6 percent to 10 percent of all benefits paid by State systems, and ranged between 4 and 6 percent of the benefits of city systems.

However, a Census Bureau-Social Security Administration study of some 1,750 State and local retirement systems in existence in 1940-41 found only about 400 (22 percent) of them still noncontributory in character, and those covered no more than 5 percent of all covered employees. Some noncontributory systems were closed to new entrants as they were superseded by contributory systems, and "a small portion" of them were characterized as having "no formal organization but merely represent[ing] the current payment by the government to selected former employees or their survivors."⁹

SOURCE AND LIMITATIONS OF DATA AND THE METHOD OF ESTIMATION

Sources.—Publications of the Census of Governments of the U.S. Census Bureau are the sole source of summary data on State and local government retirement systems. The publications used as the basis for estimating the State and local government component of public employee retirement system benefits for the social welfare expenditure series include primarily the annual *Compendium of State Government Finances* and the *Compendium of City Government Finances* and their predecessor volumes of slightly variant title. Extensive use was also made of *Employee-Retirement Systems of State and Local Governments*, Volume IV, No. 1 of the 1957 Census of Governments, which was used as a benchmark for revising the series back to 1950, and of the publication of the same name that was Volume VI, No. 1 of the 1962 Census and which served as a benchmark for revising the 1958-62 data.

Other Census of Governments sources were the *Historical Summary of Government Fi-*

⁹ Dorothy McCamman, "State and Local Employees Covered by Government Retirement Systems," *Social Security Bulletin*, July 1943.

nances in the United States, 1902-1962; the *Compendium of Public Employment*, Volume III of the *Census of Governments: 1962*; *Financing State and City Pensions*, Special Study No. 15 of October 1941 (1938 data), subtitled *Receipts, Payments and Assets of Pension Funds of States and of Cities over 100,000 Population*; and Special Study No. 17 of October 1943, *Retirement Systems for State and Local Government Employees: 1941*. Data for 1963 and subsequent years are taken, with minor adjustments, from the annual *Census of Governments* releases *Finances of Employee-Retirement Systems of State and Local Governments*.

Limitations.—The variety of Census sources available, of itself, leads to certain difficulties in using the data. Terminology and concepts have changed over time, as well as from publication to publication for the same year. For 1929-31 and 1937-40 for State systems (1929-39 for city systems) benefits were listed as "pensions and gratuities," commingled in one figure; but for 1941-50, although the data are separated into "payments to beneficiaries" and "gratuities" for both State and city systems, withdrawals of contributions by separated employees are in some years included with benefits in the former figure. No *Census of State Governments* was conducted at all for 1932 through 1936 for (Federal) budgetary reasons; no *State Compendiums* were published.

The Census definition of "city" has changed. For 1929-31 the cities reported are those with over 30,000 population; for 1932-42, those with over 100,000 population; for 1943-50, those with over 250,000 population; and from 1951 on, those with over 25,000 population. The State and city *Compendiums*, of course, omit retirement systems of other types of localities—counties, school districts, etc. And the *Historical Summary*, which reports on all local governments, publishes data for "selected" years only: 1902, 1913, 1927, 1932, and even-numbered years thereafter. It lists retirement expenditure data only in the form of "insurance trust expenditures," combining benefit payments with withdrawals of contributions by separated employees into a single figure from which are excluded by definition both administrative expenses and noncontributory benefits (gratui-

ties), both of which are regarded as general government expenses.

A problem also exists concerning the definition of "fiscal year." Usually, but not always, the fiscal year of the retirement system coincides with that of the administering government. By 1962 all but three States (New York, Texas, and Alabama) had adopted the Federal Government July 1-June 30 fiscal year. Many local governments, however, retain fiscal years ending with the calendar year, with other calendar quarters, and with other unpredictable dates. Before 1963, therefore, the estimates are for fiscal years ending in the indicated calendar years as reported by the *Census of Governments* and no attempt is made to lag or accelerate the data. Starting with fiscal year 1964, the *Census of Governments* changed its reporting year to correspond with that of the Federal Government and the 1963-64 and subsequent estimates presented here are also on that basis.

Method of estimating benefits, 1929-31.—A straight line interpolation between the *Historical Summary* 1927 figure of \$50 million for State and local insurance trust expenditures (benefits and withdrawals) and the 1932 figure of \$75 million yielded figures at \$5 million intervals that were quite comparable to the total of State- and city-system pensions and gratuities.

Although there is no reason to suppose that the interim-year data would move with such straight-line symmetry, there is no substantive justification for any other distribution of the annual interpolations. These figures were equated to total benefit payments by the following rationale:

Withdrawals from State and local retirement systems approximated 10 percent of combined benefits and withdrawals in the 1936-40 period. Assuming (1) a withdrawal rate in 1929-31 no higher than 10 percent and possibly lower, and (2) that local systems other than the city systems were relatively small during that period and paid no more than 10 percent of all State and local benefits (they play a minor role even today), an acceptable case can be made for equating State and city "pensions and gratuities" with the interpolated State and local "insurance trust expenditures" and both with total

State and local retirement benefits. The figures then are, in millions:

1927	\$50	(Historical Summary)
1928	55	
1929	60	
1930	65	
1931	70	
1932	75	(Historical Summary)

Benefits, 1932-35.—State data are lacking for this period, although city pensions and gratuities and even-year insurance trust expenditures for all State and local systems are available. Several approaches to bridging the 5-year gap were essayed: applying the average annual percentage and dollar increases of the city systems to the 1931 city and State data; distributing the total 1931-37 increase evenly over the gap years; and—using the assumptions for the 1929-31 period—equating total benefits with insurance trust expenditures and interpolating for the odd-numbered years. The resultant sets of figures diverged more widely from each other the farther they were continued forward from 1931.

In the light of what is known about the relatively small coverage of State employees in the 1930s and early 1940s as compared with employees of localities (particularly teachers, firemen and policemen), it was decided that the series with the smallest figures—State and local benefits even including the separation withdrawals which were again assumed to be small—would most accurately reflect program developments during this period. They would also continue the set of data selected for 1929-31.

Benefits, 1936-62.—Beginning with 1936 data the Social Security Administration has developed a series of estimated benefits of State and local government retirement systems (based on Census of Government sources) that is consistent within itself, and has been under continual revision. This series has the added advantage of fitting right in between the two series reconstructed from the published Census series described in the foregoing sections. The 1957 Census of Governments publication, *Employee-Retirement Systems . . .*, was used as a benchmark for revising the series back to 1950,

and the 1962 Census publication, *Employee Retirement Systems . . .*, was used to provide data on which to base the estimates for 1958 through 1962.

Benefits after 1962.—With one slight adjustment, benefits data have been taken directly from the annual volume, *Finances of Employee-Retirement Systems of State and Local Governments*. The Census Bureau notes that lump-sum death payments are not always reported separately from contribution withdrawals by members leaving government service, indicating that the withdrawal figures contain some death payments. To compensate for this understatement of death benefits, reported withdrawals are reduced somewhat and the lump-sum death payments and total benefits are increased by the same amount.

PROGRAM DEVELOPMENTS

The most notable factors in the development of State and local government employee retirement in the last 35 years are the proliferation of new systems and the revamping of older ones with an accompanying extension of coverage to even larger numbers and kinds of public employees and increases in scope of protection and levels of benefits.

Coverage.—Relatively few State and local employees were covered by public retirement systems in 1929, although local systems for policemen and firemen were by then almost universal and local systems for teachers were not uncommon. Most of the systems were relatively new, the majority having been initiated within the previous decade. The benefit rolls reflected this immaturity. Over the years new systems constantly have been added, but the oldest systems have usually remained the largest and the increasing maturity of these older systems is reflected significantly in the data.

The development that characterized these programs in the 1930s was the growth of State-administered systems with combined membership of State and local employees. This enabled even tiny villages to offer their handful of employees coverage on the same basis as the largest local governments in the State, and jurisdictions of all sizes took advantage of the opportunity.

In the 1940s and 1950s the number of systems continued to grow, not infrequently as a result of the absorption and consolidation of pre-existing systems into more generally inclusive systems. As these well-organized, solidly financed systems made their appearance they attracted additional smaller systems which brought along both their assets and their beneficiary rolls.

By 1942 there were 1,753 separate systems and the pace of formation from then on decelerated: There were 2,005 systems in 1957, an increase of only 252 new systems in 15 years. In the next 5 years, however, 341 new systems were instituted, bringing the total to 2,346 systems by 1962. Coverage, on the other hand, has expanded sharply over the entire period. In 1942, 1.5 million employees, about 45 percent of the 3.3 million State and local workers, had some sort of retirement coverage. By 1957, 70 percent of a total of 5.6 million employees were covered; and by 1966, nearly 75 percent of 8.7 million employees were members of retirement systems.

The extension of OASDHI to State and local employees in 1954 on a voluntary group basis regardless of coverage under other retirement plans has had the paradoxical effect of stimulating the formation of new State and local systems for employees never before covered, and of extending coverage by existing systems to additional groups of employees. However, limited-coverage systems (covering specific groups or occupations as opposed to covering all employees of a jurisdiction) today still comprise about four-fifths of all State and local contributory retirement systems and hold about half of the financial assets of all systems. In 1957 they paid two-thirds of all monthly benefits, and in 1962 about three-fifths. Over the years some of the smaller, weaker limited-coverage systems have voted themselves out of existence in favor of the sole coverage of OASDHI.

Scope of benefits.—Today all State and local government retirement systems provide old-age retirement, many provide disability retirement, and an increasing number offer benefits for survivors of active and retired employees.

Old-age retirement has been almost universally available under these systems from their

very beginnings as formal contributory plans. Although some of the early systems set the time of retirement "at the pleasure of" the Governor or some local official, most of them and all later plans established age or length of service requirements or a combination of both as criteria for benefit eligibility. Retirement at age 60 was usually optional, and at age 70 it was mandatory. Many systems, bowing to the national propensity toward mobility, subsequently have added a vesting feature, usually with a minimum service requirement, to their provisions for old-age retirement.

Disability retirement was the focus of the earliest local systems for the hazardous employments; over the years it has become far more widespread but by no means universal. Many of the systems distinguished between "ordinary" disability and disability incurred in line of duty, requiring a service period for the former that ranged from 5 to 20 years. As provisions were liberalized the length-of-service requirements have been reduced.

Except for line-of-duty deaths, in almost all the systems survivor benefits were provided only in the case of election by the employee of a permanently reduced retirement annuity. When all State and local employees were given the opportunity of electing OASDHI with its survivor provisions, the systems began to add survivor protection to enhance their desirability. Practically all of the systems created in the last decade offer this protection.

Level of benefits.—Although some few systems still retain a flat-rate benefit, the great bulk of State and local employee retirement systems pay formula-based (wage-related) benefits to all categories of beneficiaries. This means that the long-term trend of rising wages has produced a very roughly equivalent trend of rising benefits, although the early plans paid relatively small benefits in relation to wages compared with present standards. As contributory systems became larger and more generally prevalent, the wherewithal for the payment of ultimately higher benefits also increased. Both flat-rate across-the-board increases and increases by liberalizing benefit formulas have occurred.

The degree of wage relationship has varied

among the systems that use it, all the way from the average wage over the entire working life to that for the last 5 years. Some systems use a combination of wages and service: one-half of the last 5 years' average wage with a bonus percentage for long service, for example, or 1/70th of the final salary for each service year.

The extent of improvement in the level of benefits is best illustrated by a citation of dollar amounts. In 1929 the average annual benefit payment for all types of benefits was somewhere in the neighborhood of \$500, or about \$40 a month. By 1952 the national average

had almost doubled to \$72 a month. Following the wartime and postwar inflation of prices and wages, all monthly benefits in 1957 averaged \$116, close to triple the 1929 average. This \$116 is the weighted average of average disability retirement payments of \$129, old-age payments of \$119, and survivor benefits of \$77 a month. By 1966 the average benefit had climbed to \$161 a month, composed of a disability benefit average of \$177, an old-age average of \$165, and a survivor average payment of \$117 a month.

Unemployment Insurance and Employment Service

PREVIEW

Prior to 1935 only one of the States (Wisconsin) had a program of unemployment insurance. That year the Social Security Act laid the groundwork for a Federal-State system of unemployment insurance, a system that by 1966 covered almost 4 out of 5 employed wage and salary workers throughout the Nation. Financed primarily by a tax on the employer, in most of the States the benefit is intended to approximate 50 percent of the full-time weekly wage, subject to dollar maximums.

DESCRIPTION OF THE PROGRAM

Unemployment insurance is a social insurance program that provides cash benefits to regularly employed members of the labor force who become involuntarily unemployed and who are able and willing to accept suitable jobs. Benefits are related to previous earnings and are paid as a matter of right to workers who meet the conditions specified by law.

The Social Security Act of 1935 laid the groundwork for a Federal-State system of unemployment insurance. Before 1935 States were reluctant to set up unemployment insurance programs because they feared that the additional taxes required to fund them would place them at a competitive disadvantage with other States that did not have such programs. The only State to enact an unemployment insurance law prior to 1935 was Wisconsin, in 1932.

Benefits under the Act became payable in 1936, the same year the State amended its law to come under the Federal-State system.

The Federal Act provided an incentive to the States to enact unemployment insurance laws by imposing a uniform national payroll tax on all employers having eight or more employees in covered employment in 20 weeks of the year. However, 90 percent of this tax could be offset if the employers paid unemployment insurance taxes under a State law meeting certain general standards. The Act also provided for Federal grants to the States covering the full costs of administering unemployment insurance programs if certain general statutory and administrative standards were met. By July 1937, all the States, the District of Columbia, Alaska and Hawaii had enacted unemployment insurance laws.

Railroad employees were originally covered under the Federal-State unemployment insurance program, but were put under a separate system for railroad employees in 1939. This system is discussed in a later section (see section on railroad unemployment insurance).

Aside from certain broad Federal standards regarding financing and administration that must be met, each State has responsibility for the development and content of its own unemployment insurance law. Consequently, State laws vary as to coverage, financing, and benefit provisions, although all the States follow a similar pattern because of the general require-

ments established by the Federal law.

Coverage generally is limited to employment covered by the Federal Unemployment Tax Act, which relates primarily to industrial and commercial workers in private industry. The Federal Act excludes from coverage agricultural workers, family workers, domestic servants in private homes, the self-employed, State and local government employees, and most employees of nonprofit organizations, as well as employees of private firms with fewer than four employees in 20 weeks in a year. However, in 1966, 24 States and the District of Columbia were covering employers of fewer than four employees. Some States also cover types of employment that are excluded in the Federal Act, such as domestic and agricultural work and State and local government employment.

Federal civilian employees and ex-servicemen have been brought under the unemployment insurance system through special Federal legislation. The benefits for these persons are financed through Federal funds, but are administered by the States and paid in accordance with the provisions of the State laws.

In 1966 over 50 million workers (excluding the railroad workers covered under their own system), or almost 4 out of 5 employed wage and salary workers, were in jobs covered by unemployment insurance.

On several occasions since 1937, Congress has enacted special legislation authorizing the States to act as agents of the Federal Government in providing unemployment insurance benefits on a temporary basis to certain categories of the population. Under such legislation, benefits were paid to veterans of World War II and the Korean conflict, to merchant seaman, and to unemployed persons who exhausted their regular unemployment insurance benefits.

Weekly benefit amounts vary with the workers' previous earnings in covered employment, within certain minimum and maximum limits. In most of the States the benefit is intended to approximate 50 percent of the full-time weekly wage, subject to dollar maximums. The majority of States provide benefits for a maximum of 26 weeks, after a 1-week waiting period. Ten jurisdictions have a maximum exceeding 26 weeks. Ten States and the District of Columbia

provide additional allowances for certain types of dependents.

Unemployed workers may also receive direct Federal aid in the form of weekly cash payments for training and related assistance under the Area Redevelopment Act of 1961, and the Manpower Development and Training Act of 1962 (now combined in one program). When certain requirements are met, these Federal allowances, which equal the average weekly unemployment insurance benefit in the State, are paid through the State unemployment insurance system. States that pay unemployment compensation to persons receiving training are reimbursed and trainees who are entitled to unemployment insurance at a higher-than-average rate receive a higher training allowance. Other assistance is also provided in the form of separate maintenance and transportation allowances when training is at a facility outside the commuting area. Another program providing cash allowances is the trade adjustment assistance program, designed to assist workers dislocated because of U.S. foreign trade policy.

The Federal-State unemployment insurance program is financed primarily by a tax on the employer. A permanent Federal tax is levied on covered employers at the rate of 3.1 percent of the first \$3,000 a year of each employee's pay. The financing pattern of the State law is influenced by the Federal tax since employers may credit toward the Federal tax the amount of the State tax paid up to 2.7 percent of each employee's pay. The remainder of the tax—0.4 percent of pay—is collected by the Federal Government and is used for Federal and State administrative expenses. There is no Federal tax on employees and only three States (Alaska, Alabama, and New Jersey) tax employees under the State law. Eighteen States tax earnings over \$3,000 (as of 1966).

All contributions collected under the State laws must be deposited in the State's account in the unemployment trust fund in the United States Treasury. Unemployment benefits are paid exclusively through public funds. No private plans can be substituted for the State plan.

The State agencies, which are generally either part of the State Department of Labor or an

independent department or board, operate through approximately 2,000 local full-time employment offices. These offices not only handle claims for unemployment insurance and apply the "willing to work" test to claimants through referrals to job openings, but also act as employment exchanges providing a full range of placement service. Federally assisted State employment offices actually predated the Social Security Act, having been established by the Wagner-Peyser Act of 1933 as adjuncts to the United States Employment Service.

Federal functions relating to the unemployment insurance program are chiefly the responsibility of the Bureau of Employment Security in the Department of Labor. The Internal Revenue Service in the Treasury Department collects the Federal tax; the Treasury Department also maintains and invests the trust fund, acting as banker for the State agencies. The Bureau of Employment Security also carries on the Federal aspects of the U.S. Employment Service, administered by the States with 100 percent Federal financing. The Employment Service has the responsibility for promoting and developing a national system of employment offices for all job seekers, and for maintaining a special veterans' employment service, farm placement service, and counseling and testing service to guide individuals, particularly youths, to employment for which they are suited.

NATURE OF EXPENDITURES

Expenditures in this category include: (1) periodic unemployment insurance cash payments to the worker and, where applicable, his dependents; (2) training allowances and related assistance; and (3) administrative costs incurred by State and Federal Government bodies in operating or supervising the unemployment insurance and employment service activities, including the State employment service network, beginning with the Wagner-Peyser Act of 1933.

The bulk of these expenditures are trust fund expenditures; the exceptions are Federal expenditures for unemployment insurance benefits and allowances and—until 1961—Federal and State administrative expenditures under the Wagner-Peyser and Social Security Acts.

Since 1961 Federal unemployment tax proceeds have been paid into a new account in the unemployment trust fund, the employment security administration account, from which both Federal and State administrative costs are paid.

The series includes not only expenditures under the basic Federal-State unemployment insurance program, but also those under the various special Federal unemployment insurance and manpower training programs established by Congress. Over the years, Congress has enacted seven special unemployment insurance and four manpower training allowance programs—a total of 11, six of which were still in operation in 1966. The 11 programs are: railroad unemployment insurance (beginning 1939, treated separately among the social insurances in the social welfare series), servicemen's readjustment allowances (1945–53), reconversion unemployment benefits for seamen (1948–50), unemployment compensation for veterans (1953–60), temporary unemployment compensation (1958–60) and temporary extended unemployment compensation (1961–62), unemployment compensation for Federal employees (beginning 1955), ex-servicemen's unemployment compensation (beginning 1959); and training allowances under the Area Redevelopment Act (beginning 1962), the Manpower Development and Training Act (beginning 1963), the Trade Expansion Act of 1962, and the Automotive Products Trade Act of 1965 (first payments in fiscal year 1966).

Expenditures for training allowances and related assistance under the Federal manpower programs are included here in the series because of their close connection with the unemployment insurance and employment service program. Payments under the manpower programs are tied in with and related to the unemployment insurance payments. The State employment service offices not only make the payments but also provide trainees the same counseling, testing, selection, and placement services provided other unemployed workers. The assistance allowances for workers unemployed by reason of tariff reductions or other trade concessions are included here for similar reasons.

Also included are other manpower development and training activities channeled through

the Federal-State employment security network. Manpower expenditures by other agencies (Office of Manpower Administration, etc.) are classified under "Other social welfare."

Benefit amounts paid out by the States and the District of Columbia under the basic Federal-State unemployment insurance system are classified as expenditures from State funds. Data for Alaska and Hawaii are included for the years before they attained Statehood, and data for Puerto Rico have been included since 1961.

Benefit amounts under the special Federal programs are classified as payments from Federal funds. Under these special Federal programs, the State acts as the agent of the United States in carrying out the programs through the employment security channels. Funds for these programs are appropriated by the Congress from general revenues, and are used to reimburse the States or provide advances for their expenditures in connection with the programs.

In the case of the Temporary Unemployment Compensation Act of 1958 and the Temporary Extended Unemployment Compensation Act of 1961, benefits were initially paid by the Federal Government out of general revenues. Under the 1958 Act, benefits took the form of funds made available to participating States and were to be restored by a reduction of the State tax offset for employers in each participating State effective January 1, 1963, if the advance had not been repaid to the Federal Treasury by December 1, 1962. Under the 1961 Act, the cost of the additional benefits was repaid through an additional Federal tax on employers of 0.4 percent in 1962 and 0.25 percent in 1963.

In the social welfare series, payments under these two laws are treated as expenditures from the Federal sector since they originally were disbursed as Federal payments from Federal funds. The economic significance of such payments is better assessed if the payments are allocated to the year of original payment to beneficiaries than if they are allocated to future years as the loans or advances are repaid.

The series includes the cost of operating the public employment service, beginning with the Wagner-Peyser Act of 1933, which provided for

a jointly financed Federal-State system of public employment offices. With the passage of the Social Security Act of 1935 and the requirement that States would have to pay unemployment insurance benefits solely through public employment offices, the latter became coordinated with the unemployment insurance program and unemployment insurance grant funds became available for financing the cost of local employment offices. Within a few years, unemployment insurance funds were paying for the entire operation of the State employment service and the provisions for matching Federal funds with State funds were repealed.

All administrative expenses, which include the allotments to the State employment security agencies for operating and administering the above programs, are allocated to the Federal sector except that for the period 1933 through 1942, the State matching funds for the financing of the public employment services are allocated to the State sector. During World War II, the State employment service—but not the unemployment insurance service—was nationalized for the duration of the emergency.

Included in the Federal sector are expenditures of the National Reemployment Service, the Social Security Board, the Departments of Labor and Treasury, the War Manpower Commission, which administered the United States Employment Service during the war years (1943–46), and the Veterans Administration, which administered the servicemen's readjustment allowances (1945–53) for their activities in administration of the Federal and State programs. Administrative expenses include salaries, employment service operation, research, and general operating outlays.

Prior to 1933 there were State and local public employment offices (192 in 23 States at the time of the passage of the Wagner-Peyser Act), but only limited data are available as to the expenditures under these programs.¹⁰ Also excluded from the series are the Federal expenditures prior to 1933 for the U.S. Employment Service (which had been established in 1918),

¹⁰ Total expenditures for State employment offices at the end of 1930 were estimated at \$1,250,000. "The Public Employment Service System, 1933–53," *Employment Security Review*, June 1953, page 6.

mainly to provide special placement services for veterans and farm workers.

SOURCE OF DATA

All data on the unemployment insurance program are from Bureau of Employment Security, Department of Labor sources, except those pertaining to servicemen's readjustment allowances, which were provided by the Veterans Administration.

Data prior to fiscal year 1937 are from the 1938 *Annual Report* of the Department of Labor and the 1937 *Annual Report* of the Social Security Board.

PROGRAM DEVELOPMENTS

Of all the social insurance programs, unemployment insurance is the most sensitive to the business cycle. Year-to-year fluctuations in unemployment insurance expenditures are for the most part a reflection of the downward and upward swings in business activity. Nevertheless, up to fiscal year 1961 a long-term, overall, upward trend in expenditures was evident, attributable to the substantial growth in the labor force, rising wage levels and statutory changes in the programs that extended coverage, raised dollar benefit levels and lengthened the duration of benefits. Since fiscal year 1961, sustained economic activity has led to a drop in annual benefit expenditures.

Coverage.—In 1938 only 65 percent of the civilian wage and salary workers—or 21 million workers—were covered by unemployment insurance. In 1966 about 52 million (including railroad workers), or 80 percent of the employed wage and salary workers, were covered.

Some of the growth in coverage is attributable to program changes: (1) the extension of the Federal Act to cover employers with four or more workers in 20 weeks, effective January 1, 1956; (2) the extension of the Federal Act to maritime workers (1946), to some Federal instrumentalities (1962), Federal civilian workers (1955) and ex-servicemen (1958); and (3) the gradual extension under State laws of coverage to employers with one or more workers (in 1966, 21 States covered such employers, compared with 10 States in 1938). Also, some States have gone beyond the Federal law in

covering other kinds of workers, such as agricultural laborers and domestics.

Also influencing the growth of unemployment insurance coverage have been the relatively high levels of employment during and since World War II and the overall increase in the population. In addition, there has been a shift in the proportion of workers in types of work that are covered by unemployment insurance. Between 1929 and 1966, agricultural workers—ordinarily excluded from coverage—as a proportion of the wage and salary workers in the labor force have declined from 8 to about 2 percent. The proportion of domestic workers in the labor force has experienced a similar decline.

Scope of benefits.—Over the years all the States have increased the maximum number of weeks of unemployment for which a worker may receive benefits. In 1940 the maximum in 42 States was 16 weeks or less. By 1955 the maximum in 47 States had been raised to 20 weeks or more. In 1966 all but three jurisdictions provided a maximum of 26 weeks or more. The actual average period over which benefits were paid by the States ranged from about 10 weeks in 1940 to 12 weeks in 1965, with highs of 15 weeks in 1958 and 1961.

Since 1937, when only the District of Columbia law provided dependents' allowances, 10 States have added such a provision.

Temporary provisions for extending the duration of benefits in periods of high unemployment were enacted by Congress under the Temporary Unemployment Compensation Act of 1958 and the Temporary Extended Unemployment Compensation Act of 1961. Under both Acts, additional weeks of benefits up to 50 percent of the regular duration under the State law were provided, with a maximum extension of 13 weeks specified in the 1961 law. Also, seven States as of 1966 provided for automatic extension of the duration of benefits (usually 50 percent) whenever unemployment in the State reached a specific level. A similar provision in Puerto Rico is dependent upon the level of unemployment in certain industries, occupations, or kinds of establishments.

Level of benefits.—Since wage levels in general have increased and benefits are related to wages, the actual dollar amount of benefits paid

out has increased considerably over the years.

All the States have raised the statutory maximum one or more times in the past 10 years and in some States the benefit formula has been revised to provide a larger real benefit. In 1940 the weekly maximums ranged from \$15 to \$18, with most States providing a maximum of \$15 per week. In 1966 the maximum benefit in the States (excluding Puerto Rico) varied from \$30 to \$65 (not including allowances for dependents

provided in 11 laws), most frequently \$50.

However, the average benefits are a smaller proportion of weekly wages than they were when the program started. By 1966 the average weekly benefit had risen from \$10.56 to \$39.76, but the average benefit represented only about 35 percent of the average weekly wage in covered employment. This reduction has resulted from the fact that statutory maximums tend to lag behind the increase in wage levels.

Railroad Unemployment Insurance

PREVIEW

From 1935 to 1939, railroad workers had unemployment insurance coverage under the Social Security Act. In the latter year, Congress created a separate and exclusive system for them. The program has been frequently amended over the years. Since fiscal year 1947 the number of workers qualifying for benefits has declined until it is presently less than 900,000. The average weekly benefit paid has increased from \$8.40 in fiscal year 1940 to more than \$50 in 1966.

DESCRIPTION OF THE PROGRAM

The Social Security Act of 1935, which established a Federal-State system of unemployment insurance, also covered railroad workers. However, coverage under the State laws proved impractical because of the difficulty, at that time, of providing equitable benefits for employees working across State lines, and the difficulties encountered by railroad carriers in making reports to every one of the States in which they were doing business.

Consequently, Congress enacted a separate and exclusive Federal system for railroad employees, which went into effect on July 1, 1939. Coverage under this law—the Railroad Unemployment Insurance Act of 1938—was made virtually identical with that of the Railroad Retirement Act. In 1946 Congress broadened the railroad unemployment insurance program to include temporary cash sickness and special maternity benefits. (See section on railroad

temporary disability insurance.)

Under the law as presently amended, benefits are payable to an unemployed worker if he has had earnings of at least \$750 in railroad work (and, if a new employee, has worked in at least 7 months) during a calendar year base period.

The daily benefit (for each day of unemployment over 4 in a 14-day period) ranges from \$4.50 to \$10.20, equivalent to a weekly benefit of from \$22.50 to \$51.00. The daily benefit is established by a schedule of base year earnings with a guarantee that, up to the maximum amount, the daily benefit cannot be less than 60 percent of the claimant's regular daily rate of pay for his last railroad job in the base year.

An unemployed worker may draw normal benefits in a benefit year, which begins on July 1, for up to 130 days (26 weeks) but the total may not exceed the amount of his wages in the base year. Workers with long service in the railroad industry may receive additional unemployment benefits in extended benefit periods if they exhaust their rights to normal benefits. Workers with 10–14 years of service may receive up to 65 additional days of unemployment benefits in a 14-week period. Workers with 15 or more years of service may receive up to 130 additional days in a 26-week period.

Railroad unemployment insurance benefits are financed solely by the employing railroads. The tax rate during any calendar year is established on a sliding-scale basis ranging from 1.5 to 4.0 percent of a worker's earnings up to \$400 a month, depending on the balance in the railroad unemployment insurance account on

September 30 of the preceding year. In recent years the contribution rate has been set at the maximum. Contributions from employers are collected by the Railroad Retirement Board. Any amounts collected that are not set aside for administration are deposited in the railroad unemployment insurance account (the benefit account) which is maintained by the U.S. Treasury. This account together with a similar account for each State make up the unemployment trust fund, the assets of which are invested in government securities. A fund separate from the benefit account—but also a part of the unemployment trust fund—the railroad unemployment insurance administration fund—is maintained for depositing the money needed to pay the costs of administering the railroad unemployment insurance system. By law, an amount equal to 0.25 percent of the taxable payroll is set aside from the railroad contributions for the administration fund, but any balance in this fund in excess of \$6 million on June 30 of each year reverts to the benefit account.

The Railroad Retirement Board has authority to borrow money at interest from the railroad retirement account when there is a temporary need for additional funds for the railroad unemployment insurance account. For a number of years, the railroad unemployment insurance system had to borrow funds to make the payment of all benefits when due. The deficit in the benefit account reached its peak in September 1963, but has been substantially reduced since then.

The program is administered by the Railroad Retirement Board, which also provides a free placement service for unemployed railroad workers.

NATURE OF EXPENDITURES

All railroad unemployment insurance expenditures in the social welfare expenditure series are trust fund expenditures; they include unemployment insurance benefit payments and the cost of administering the RRUI program and the placement service. Repayment of loans from the railroad retirement account and the interest on these loans are not classified as expenditures because the loans, which are used

for payment of benefits, are included in benefit payments at the time of disbursement. Cash sickness and maternity benefit payments appear as a separate item—railroad temporary disability insurance—in the social welfare expenditure series.

SOURCE OF DATA

The fiscal-year data for railroad unemployment insurance benefits and administration are from the *Annual Reports* of the Railroad Retirement Board. For fiscal years 1965 and 1966, administrative expenses have been prorated between unemployment insurance and cash sickness programs in accordance with the distribution in previous years.

PROGRAM DEVELOPMENTS

Railroad unemployment has been affected by such short-term developments as peak wartime workloads, declines in industrial production during recessions, and strikes in the coal and steel industries and in the railroad industry itself, as well as by far-reaching basic changes in the railroad industry that have reduced the number of workers eligible for unemployment insurance. As a result, the number of unemployment beneficiaries under the RRUI program has varied greatly from a low of 5,000 in fiscal year 1944 to a high of 470,000 in 1950. In fiscal year 1966, beneficiaries numbered about 150,000.

Despite the fluctuations in unemployment, RRUI dollar expenditures showed a long-term upswing through fiscal year 1960, primarily due to the effect of liberalized benefit provisions and rising wage levels. The RRUI system, unlike the Federal-State unemployment insurance program, cannot attribute some of its long-term increase in benefit expenditures to expanded coverage brought about by legislation and economic growth. The coverage of the RRUI system was all-embracing from the start, and the number of workers covered, after reaching a peak during the middle 1940s, has turned downwards. Since fiscal year 1960, total expenditures have also declined, as improved economic conditions and continual declines in railroad coverage more than offset high benefit levels.

Coverage.—In the early years of the railroad

unemployment insurance program, from 1939 through 1941, the country was emerging from the Great Depression, and labor surpluses were general. These dwindled rapidly and acute labor shortages existed during World War II. Throughout the postwar period there has been a declining trend in covered railroad employment and, consequently, in the number of employees qualified under the Railroad Unemployment Insurance Act. The number of qualified employees dropped from a peak of 2.4 million in fiscal year 1947 to less than 900,000 in 1966. This decline resulted both from the failure of railroad traffic to share in the general economic growth and from technological advances that make possible the handling of the workload with fewer employees.

Scope of benefits.—Important changes in 1940 and 1946 increased the number of days for which normal unemployment benefits could be paid from 80 under the original Act to, first, 100 and then 130. Extended benefit periods for unemployed workers with 10 or more years of railroading were added in 1959 to afford these long-service employees displaced by technological change or other permanent reduction in force a longer adjustment period.

Special legislation was also enacted in 1959 and 1961 to provide additional benefits on a temporary basis to short-service workers who had exhausted their rights to normal unemployment benefits during periods of recession. This paralleled legislation enacted for employees covered by State laws. Workers with less than 10 years of railroad service were the primary beneficiaries, with some long-service employees also receiving additional benefits. Employees could receive benefits for up to 65 additional days. The 1961 legislation also provided benefits for some long-service employees who had received regular benefits for less than 195 days. The waiting period for unemployment benefits

was essentially eliminated in 1959.

Level of benefits.—The law originally provided for a schedule of benefits ranging from a minimum of \$1.75 a day to a maximum of \$3.00. Over the years in a series of amendments, the most significant of which were passed in 1952, 1954, and 1959, the benefits have been increased to maintain their relationship to wage levels. By 1954 the minimum and maximum daily rate payable had been raised to \$3.50 and \$8.50, respectively; in 1959 the minimum was raised to \$4.50 and the maximum to \$10.20, which are the present rates.

The 1954 amendments also provided the guarantee that the daily benefit rate should be at least half the daily rate of pay in the base year, up to the maximum, and this figure was increased to 60 percent in 1959. At present, the overwhelming majority of benefits are paid at the maximum rate of \$10.20, either because the beneficiary had base-year earnings in excess of \$4,000 or due to the influence of the 60 percent guarantee.

A somewhat restrictive provision was added in 1954 providing that benefits in a benefit year may not exceed the total earned by the employee in the base year. However, this provision does not apply to payments for unemployment in extended periods.

As a result of rising wage levels and amendments to the Act, the average weekly benefit amount paid to a totally unemployed beneficiary has increased fivefold over the past 25 years from \$8.40 in fiscal year 1940 to more than \$50 in 1966. After the first year of operations, the average rose annually for 4 years and then remained between \$16 and \$20 until fiscal year 1953, when it then spurted to \$28.40. The average continued to climb, to \$35.00 in fiscal year 1955, and then to \$48.00 in 1959, as a result of amendments that went into effect in those years.

Railroad Temporary Disability Insurance

PREVIEW

Since 1946 railroad workers have been entitled to cash benefit payments when they are temporarily unable to work because of sickness

or injury. Financed by contributions from employers, the benefits range from \$4.50 to \$10.50 per day, with a maximum of 130 compensable days in a benefit year. The average weekly bene-

fit has risen from \$20.60 in fiscal year 1948 to about \$45 in 1966.

DESCRIPTION OF THE PROGRAM

The 1946 amendments to the Railroad Unemployment Insurance Act broadened the railroad unemployment insurance system to provide cash payments, similar to those paid for unemployment, to railroad employees who are temporarily unable to work because of sickness (including maternity) or injury.

Sickness benefits are payable on virtually the same basis as railroad unemployment benefits, except that in the first 14-day claim period for sickness, benefits are payable only for days of sickness over 7. In subsequent periods, all days over 4 in the registration period are compensable.

Wage requirements for eligibility, benefit rates, and the base year and benefit year are the same for sickness benefits as for unemployment benefits.

Sickness benefits may be paid for a maximum of 130 compensable days in a benefit year, but the total benefits in any year may not exceed the employee's creditable wages in the base year. With the foregoing exception, this compensates for a continuous spell of sickness lasting 26 weeks following the initial waiting period of 1 week. Illness need not be continuous, however, since payments are made on a registration period basis.

Maternity benefits are payable to a qualified female employee for each day of a 116-day maternity period, except that they, also, may not exceed the amount of the employee's creditable wages in the base year. The daily maternity benefit rate is the same as for unemployment and sickness benefits (ranging from \$4.50 to \$10.50) except that the benefits for the first 14 days of the maternity period and for the first 14 days following the birth of the child are payable at $1\frac{1}{2}$ times the regular rate. Thus, the maximum amount payable to a worker during a maternity period is equal to the maximum for other sickness benefits.

Both sickness and unemployment insurance benefits are financed out of the same employers' contribution; there is no employee contribution.

The contribution rate is applicable to the first \$400 of the employee's monthly earnings. The rate is on a sliding scale, and is fixed for any one year in accordance with the balance in the railroad unemployment insurance account as of the close of business on September 30 of the preceding year. In recent years, the contribution rate has been at the maximum—4 percent.

Tax proceeds, which are used for unemployment insurance benefits and sickness benefits and their administration, are deposited in the railroad unemployment insurance account and the railroad unemployment insurance administration account maintained by the United States Treasury. (See section on railroad unemployment insurance).

The sickness benefits program is also administered by the Railroad Retirement Board.

NATURE OF EXPENDITURES

All railroad temporary disability insurance expenditures in the social welfare expenditure series are trust fund expenditures and include the cash sickness and maternity benefit payments and the proportionate share of the cost of administering the program.

SOURCE OF DATA

The fiscal year data for railroad temporary disability insurance are from the *Annual Reports* of the Railroad Retirement Board. For fiscal years 1965 and 1966, administrative expenses have been prorated between the unemployment insurance and cash sickness programs in accordance with the distribution in previous years.

PROGRAM DEVELOPMENTS

Benefits and beneficiaries under the sickness benefits program have not varied from year to year as widely as those under the railroad unemployment insurance program. Beneficiaries, including women paid maternity benefits, have ranged from 179,000 in fiscal year 1949 to 101,000 in 1966. Since the percentage of qualified employees who experience some compensable illness does not vary much from year to year, variations in the number of sickness

beneficiaries can be traced mainly to fluctuations in the total number of qualified employees. The number of employees in the railroad industry reached its peak in fiscal year 1947, when the sickness program was started. Since then the number of qualified employees has declined from 2.4 million to less than 900,000.

Despite the decrease in the number of qualified employees, expenditures for railroad temporary disability up to fiscal year 1960 showed an overall increase, reflecting the effect of liberalized benefit rates and rising wage levels. Since 1960 total expenditures have turned downward as the decline in the number of qualified employees has more than offset the higher benefit payments.

Sickness benefit payments, like those for unemployment insurance, have risen substantially as a result of higher pay rates in the railroad industry and from the benefit rate increases provided in the 1954 and 1959 amendments. The benefit range increased from \$1.75 to \$5.00 a day in 1946 to \$3.50-\$8.50 in 1954, and now is \$4.50-\$10.20. The average benefit payment has more than doubled since 1947—increasing from \$20.60 a week in fiscal year 1948 to \$44.60 a week in 1966. Maternity benefits on the average are higher than those for unemployment and sickness, principally because they are paid for each day in the maternity period with no waiting period involved.

State Temporary Disability Insurance

PREVIEW

Since 1942 four States (Rhode Island, California, New Jersey and New York) have enacted temporary disability insurance programs. The programs are designed to replace one-half or more of the weekly wage loss due to illness or off-the-job injury. By 1966 about 13.5 million employees were covered by the programs with the benefits available for a maximum of 26 weeks, the legal maximum amounts ranging from \$48 to \$80 per week.

DESCRIPTION OF THE PROGRAM

Temporary disability insurance (TDI) is the most recent form of social insurance to be developed in this country. Statutory insurance programs, providing workers with partial short-term compensation for loss of wages due to illness and injury not of an occupational origin, have been enacted in four States and for the railroad industry. Rhode Island initiated this type of program in 1942, followed by California in 1946, New Jersey in 1948, and New York in 1949. The four State programs cover almost one-fourth of the nonagricultural wage and salary employed labor force. The railroad industry has its own temporary disability insurance

program, which is discussed separately.

The temporary disability insurance laws cover virtually the same occupational groups covered by unemployment insurance—mainly wage and salary workers in commerce and industry. The principal groups excluded in most States are farm laborers, domestic servants, family workers, government employees, the self-employed, and employees of nonprofit organizations operated for religious, charitable, and educational purposes.

The four State programs, while making coverage mandatory for all employees subject to the law, differ with respect to the methods used in providing this protection. In Rhode Island, the coverage is provided through an exclusive, publicly operated insurance fund into which all contributions are paid and from which all benefits are disbursed. In California and New Jersey a State-operated fund is also provided, but employers are permitted to "contract out" of the State fund by purchasing group insurance from commercial insurance companies, by self-insuring the risk, or by negotiating an agreement with a union or employees' association. In New York, the responsibility rests upon the employer to make his own insurance arrangements for the protection of his employees. He can

comply with statutory requirements by contracting out or by purchasing the required insurance from the quasi-public competitive State Insurance Fund of New York. Unlike the California and New Jersey State funds, which automatically cover under a payroll tax program those who do not take steps to obtain private coverage, the New York State Insurance Fund writes insurance on a premium-paying basis (i.e., rates are based on the risk insured). Benefits under private plans in the three states must be equivalent to or exceed those payable under statutory formulas.

The weekly benefit amounts under the four laws are related to the claimant's previous earnings in covered employment and are designed to replace one-half or more of the weekly wage loss. All laws, however, put dollar limits on the maximum amounts that will be paid for a week, so that higher-paid workers tend to receive a lower proportion of their weekly wages than do workers at lower earnings levels. Benefits are paid for a maximum of 26 weeks per disability or per year. New York provides a uniform duration of benefits while the other States vary the payment period according to the worker's base period earnings or length of employment. Generally, a waiting period of 1 week or 7 days of disability is required before benefits will be paid in any of the States.

Rhode Island also pays dependents' allowances. Both Rhode Island and New Jersey provide special maternity benefits for female workers. Under the California law, hospital benefits are provided in addition to cash benefits. In New York, hospital, surgical, and other medical benefits may be paid in lieu of cash sickness benefits up to 40 percent of the statutory scale of benefits.

Each of the States requires employee contributions to finance the program. In two States employers also contribute. Under the State-operated plans, employees in Rhode Island pay 1 percent of annual wages up to \$4,800 and in California, 1 percent up to \$7,400. Self-employed people in California who elect coverage pay 1.25 percent of wages (deemed to be \$1,875 a quarter). In New Jersey, under the State-operated plan, employees pay 0.5 percent of wages up to \$3,000 and employers pay a basic tax of 0.25 percent on the same wages. The

employer tax may vary from 0.10 to 0.75 percent of covered payroll, based on the employer's experience rating and on the level of reserves. In New York, under plans that provide only statutory benefits, employees contribute 0.5 percent of their wages up to a maximum of 30 cents a week, with the employers bearing any additional costs. Contributions are deposited in trust funds from which benefits and administrative costs are paid.

Employees under private plans in California and New Jersey contribute only to the private plan but no more than they would be required to contribute under the State plan. Employers pay any additional costs. Private plans are also assessed for the proportionate share of administrative expenses incurred by the State and for the cost of paying benefits to insured workers who become disabled while unemployed.

Three of the four State laws are administered by the same agency that administers the State unemployment insurance programs. In New York the program is administered by the State Workmen's Compensation Board.

NATURE OF EXPENDITURES

State temporary disability insurance expenditures in the social welfare expenditure series include under both the State and private plans weekly cash benefit payments, dependents' allowances, maternity payments, and medical payments where applicable. Administrative expenses are also included but refer only to the State expenditures for administering the State-operated programs and for supervising the private plans; no data are available on administrative expenditures of plans underwritten by private insurance companies or self-insured by employers. Benefit payments are on a net basis, after deductions, refunds, and cancellations.

Benefit expenditures from private insurance companies or from employers who self-insure are included primarily because these payments are required and authorized by a law that applies to the general labor force.

SOURCES OF DATA

Data are from published and unpublished reports of the State administrative agencies as compiled by the Bureau of Employment Security

and the Social Security Administration. Data were furnished by the New York Workmen's Compensation Board on a calendar-year basis and were averaged to obtain fiscal-year data. Likewise, calendar-year data on private plans in New Jersey were averaged to obtain fiscal-year data.

PROGRAM DEVELOPMENTS

The amount of protection provided by State temporary disability programs has increased considerably since the first program was introduced, in Rhode Island in 1942. The greatest period of growth, of course, was during the late 1940s when the other three States initiated programs. Despite the fact that no other programs have been enacted since 1949, total expenditures have continued to rise.

Since fiscal 1951—the first year in which all four programs were in operation—benefit payments have more than tripled. The increase can be attributed mainly to the natural growth in the covered labor force, rising wage levels, and statutory changes in the program that extended coverage, raised dollar benefit levels, and lengthened the duration of benefits. Unlike UI expenditures, which experience fluctuations because of the business cycle, TDI expenditures show a steady growth.

Coverage.—Coverage under temporary disability insurance has gained steadily though not as dramatically as under some other social insurance programs. The number of covered workers increased from 9.2 million in 1952 to about 13.5 million in 1966. Some of the growth in coverage can be attributed to statutory changes in the programs but the overall increase in the labor force in these States, particularly California, has probably been more influential. Both New York and Rhode Island have extended coverage to employers of one or more workers, whereas under their original laws only employers of four or more employees were covered.

In two of the three States where employers are permitted to meet the coverage requirements of the law through private plans, the proportion of workers covered by the private

plans has been decreasing. In California the proportion of workers covered by private plans has dropped from 44 percent in 1958, to 21 percent in 1962, and to 8 percent in 1966. In New Jersey the proportion of employees covered by private plans dropped from 62 percent in 1958 to 48 percent in 1966. In New York the proportion has remained constant at about 96 percent.

Scope of benefits.—Some extension in the duration of benefits has taken place since 1951. New York increased its original uniform potential duration from 13 to 20 weeks in 1956 and to 26 weeks in 1958. Over the years, Rhode Island increased its variable potential duration from 9–20 weeks to 12–26 weeks. All four States now have a potential duration of 26 weeks.

California, which provided an additional benefit of \$8 a day for 12 days for hospitalized beneficiaries beginning in 1950, increased this to \$12 daily for up to 20 days in 1958.

Rhode Island, which added dependents' allowances in 1958, has increased these benefits from \$2 for each dependent under age 16 with a family maximum of \$18, to \$3 for each dependent under age 18 up to \$12.

Level of benefits.—Temporary disability insurance benefits have increased along with the general increase in wage levels. The weekly maximums (excluding dependents) in 1949 and 1966 were:

	1949	1966
Rhode Island	\$25	\$48
California	25	80
New Jersey	22	50
New York	26	55

Between 1952 and 1966 the average weekly benefit under State-operated plans increased from \$22.60 to \$35.51 in Rhode Island, \$24.27 to \$38.95 in New Jersey, and \$24.84 to \$55.25 in California. In 1952 private plans paid an average of \$30.84 in California and \$31.97 in New York. In 1966 private plans paid \$74.77 a week in California and \$52.69 weekly in New York. No data are available on the experience of private plans in New Jersey.

Workmen's Compensation

PREVIEW

The Federal Government enacted the Nation's first workmen's compensation law for its civilian employees in 1908. Over the next 40 years all States followed the Federal lead with wide variation in the scope of employments covered, the amount and duration of benefits paid, and the methods used to insure that compensation will be paid when due. By 1966 an estimated 53½ million workers were covered by the programs. The maximum level of weekly benefits ranged from less than \$40 in 12 jurisdictions to \$55 or more in 15.

DESCRIPTION OF THE PROGRAM

Workmen's compensation legislation, designed to provide cash benefits and medical care when a worker is injured on the job and an income to his survivors if he is killed, was the first form of social insurance to develop widely in the United States. The Federal Government led the way with an act covering its civilian employees, passed in 1908, and reenacted in 1916. Similar laws were enacted by 10 States in 1911; by the beginning of 1929, all but five States had such laws and, by 1948, all States had them.

Each of the States operates its own workmen's compensation program, independent of any Federal legislative or administrative responsibility. As a result, there are wide differences among States in the scope of employments covered, the amount and duration of benefits paid, and the methods used to insure that compensation will be paid when due.

A law may be compulsory or elective in its application to employment in the State. In more than half the States, the laws are compulsory, requiring every employer within the scope of the law to comply with its provisions and pay the compensation specified. In the remaining States, the employer may accept or reject the act, but if he rejects it, he loses the customary common-law defenses against suits by employees. Coverage also varies from State to State with respect to size of the firms affected. In 27

States, employers having fewer than a specified number of employees are exempt from coverage; the range is from fewer than two to fewer than 15 employees. Other coverage variations arise out of provisions regarding agricultural and domestic employment and State and local government employment. As a result of these differences, the proportion of the wage and salary labor force covered by workmen's compensation ranges from less than 70 percent in 17 States to 85 percent or more in 13 jurisdictions (1964).

The State laws vary widely with respect to the amount and duration of benefits paid. At the end of 1965, 15 jurisdictions were paying a weekly maximum of \$55 or more for temporary total disability, 25 were paying from \$40 to \$54, and 12 were paying less than \$40. The period over which such benefits could be paid ranged from 208 to 500 weeks, with a few States paying benefits for the entire period of disability up to a maximum dollar limitation ranging from \$10,000 to \$25,000. Some States pay additional benefits to workers with dependents.

The State laws also vary with respect to the insurance mechanism used to underwrite the risk. Employers in most jurisdictions are permitted to carry insurance against work accidents with commercial insurance companies that are approved by the State insurance department or to qualify as self-insurers by giving proof of ability to carry their own risk. Six States, however, require insurance with an "exclusive" State fund¹¹ (in two of the six, the employer may self-insure instead). In 12 States there is a State fund that is "competitive" with private insurance carriers.¹² Federal employees are provided protection through a federally financed and operated system.

With only two exceptions, these arrangements for insuring the risk have not changed at all

¹¹ Nevada, North Dakota, Ohio, Washington, West Virginia, and Wyoming.

¹² Arizona, California, Colorado, Idaho, Maryland, Michigan, Montana, New York, Oklahoma, Oregon, Pennsylvania, and Utah.

since 1929. The State of Oklahoma, which in 1933 created a State insurance fund to compete with private insurance carriers, provides one of the exceptions and Oregon the other. Oregon amended its exclusive State law to permit employers to buy insurance from private carriers or to self-insure, beginning January 1, 1966. However, the proportion of benefits paid out through the various methods of underwriting has changed. In 1966 private insurance carriers were responsible for 64 percent of all benefits paid out, State insurance funds (including the Federal workmen's compensation programs) for 23 percent, and self-insurers for 13 percent. The respective proportions in 1929 were 60, 22, and 18.

Workmen's compensation laws are almost exclusively financed by employers, on the principle that the cost of work accidents is part of the expense of production. A few State laws contain provisions for insignificant contributions by the covered employee for hospital and medical benefits.

NATURE OF EXPENDITURES

Workmen's compensation expenditures in this series include: (1) periodic cash payments to the worker during periods of disability and (in some States) to his dependents; (2) death and funeral benefits to the worker's survivors; (3) lump-sum settlements; (4) medical and rehabilitative services; and (5) the administrative costs incurred by government bodies in operating or supervising the programs.

Benefit payments include the estimated amounts paid out in each of the 50 States and the District of Columbia by private insurance carriers, by State insurance funds, and by employers as self-insurers. Also included are the amounts paid under the Federal workmen's compensation programs such as the Federal Employees' Compensation Act, Longshoremen's and Harbor Workers' Compensation Act, War Hazards Compensation Act, and the Defense Bases Compensation Act. Data for periods prior to fiscal year 1959 exclude expenditures under the laws in Alaska and Hawaii.

The decision to include the expenditures paid out by nongovernmental organizations (insurance companies and employers) has been

prompted by several considerations. The overriding one has been that benefits and protection are required and authorized by statute, with little tendency for individual employers or private carriers to deviate from the statutory pattern. Historically, workmen's compensation has developed and been universally accepted as a social insurance program.

SOURCES OF DATA AND METHODOLOGY

Workmen's compensation benefit data by type of insurance (private carriers, State funds, and self-insurance) are compiled or estimated annually on a State-by-State basis by the Office of Research and Statistics, Social Security Administration, and are published regularly in the *Social Security Bulletin* (for recent years, in January issues). At periodic intervals, usually every 4 years, detailed estimates and the basis by which they are derived, are submitted to each State workmen's compensation agency with a request for corrections or improved bases for estimation.

Private carrier benefit payments.—State-by-State data from 1929 through 1958 on private carrier payments (losses paid) are taken from *The Spectator: Insurance by States of Fire, Marine, Casualty, Surety, and Miscellaneous Lines*, annual editions.

These data were compiled by *The Spectator* from standardized annual reports that each casualty insurance company is required to file with the insurance department of States in which it is doing business. In 1958, *The Spectator* ceased compiling data on losses paid, and the necessary data have been obtained directly from the State insurance departments. For those States in which the insurance departments have been unable to compile the data, estimates of direct losses paid are based on the percentage changes from the preceding year in direct losses incurred, as reported by the National Council on Compensation Insurance, the major ratemaking organization in the country. (Losses incurred include amounts set aside to cover liabilities for future claims payments arising under policies written during a policy year, and as such are generally larger than losses paid, which include actual amounts paid

out during the year in cases continued from earlier years when wages and compensation rates were lower.)

The amounts reported by *The Spectator* and by the State insurance departments are calendar-year figures and represent the net amount of compensation and medical benefits paid under standard workmen's compensation and employer-liability policies. Included are small amounts of benefits paid in States prior to adoption of their workmen's compensation laws and in States that do not permit underwriting by private insurers. These amounts represent voluntary insurance on excluded employments and/or payments made to employees in behalf of employers with headquarters in another State. Lump-sum amounts paid by insurance companies into special funds, such as fixed amounts in death cases in which there is no beneficiary, are also reported as losses paid. In addition, the State totals include benefit payments by private carriers under the Federal Longshoremen's and Harbor Workers' Compensation Act and the Defense Bases Construction Act.

State insurance fund benefit payments.—Benefit payment data similar to those obtained for private carriers are available from *The Spectator* and the State insurance departments for a few of the State competitive funds. For the remaining State insurance funds, data on net cash and medical benefits are compiled from published and unpublished State annual and biennial reports of the funds; from such annual insurance publications as *Argus Casualty and Surety Chart*; and from U.S. Bureau of the Census, *Compendium of State Government Finances*, annual editions. The data are adjusted to a net disbursement basis similar to that reported for private carriers. For a few State funds, the reported data are on a fiscal-year basis.

Self-insurance payments.—Self-insurance payments include not only compensation and medical benefits paid by employers qualifying as self-insurers, but also the value of medical benefits paid by employers carrying workmen's compensation policies that do not include the standard medical coverage. Data on self-insurance payments are published by only a few States. For most States, the data are estimated

by the Social Security Administration using whatever known relationships exist in each State between self-insurers and insurers in such areas as: benefits paid in cases closed by final payments, amount of awards, the number of claims or reported accidents, or the amount of payrolls or taxes paid by covered firms. The ratios so derived for each State are applied to the insurance payments for the State to obtain the estimate of payments by self-insurers for the corresponding year.

Federal workmen's compensation programs.—Federal benefit payments are available on a fiscal-year basis from the annual reports of the U.S. Bureau of Employees' Compensation and from the *U.S. Budget*. They consist of cash indemnity, death compensation, burial expenditures, rehabilitation awards, disfigurement awards, lump-sum awards, and medical treatment and supplies (including transportation for medical care). Included are benefit payments not only to civilian Federal employees and emergency relief workers and their dependents under the Federal Employees' Compensation Act, but also to dependents of reservists who died while on active duty in the Armed Forces, to individuals under the War Hazards Act, War Claims Act, and Civilian War Benefits Act, and to Civil Air Patrol and Reserve Officers Training Corps personnel and maritime war risks. For the years 1943 through 1949, data on Federal payments exclude amounts accrued as wages for defense base employees who were detained by the enemy, or missing, and allotments made from these wage accruals to dependents.

Workmen's compensation benefit payments to private employees in the District of Columbia are included with the State data reported by private insurance carriers.

Medical benefits.—The sources used in deriving workmen's compensation expenditures, except for a few State insurance funds and the Federal programs, do not break down total expenditures into cash indemnity and medical benefits categories. Medical benefits are therefore estimated on a national basis, using data compiled by the National Council on Compensation Insurance, the insurance industry's major ratemaking organization.

Conversion to fiscal year.—Outside of the data for the Federal workmen's compensation

programs and for a few State insurance funds, the State data published annually in the *Social Security Bulletin* are on a calendar-year basis. To convert to a fiscal year, the aggregate calendar-year data (minus the data for the Federal programs and the States with fiscal-year data) are averaged and then added to the available fiscal-year data.

Administrative expenses. — Administrative expenses represent the amounts spent by the State-created commissions, departments, and agencies in administering the workmen's compensation laws, in supervising the operations of the insurance medium—the private carrier, the self-insurer, and/or the State fund—and, in States with competitive or exclusive funds, in underwriting the risk.

Data are excluded for four States in which the laws are administered by the courts. The administrative expenses of private insurance companies and self-insurers are also excluded.

Data on the administrative expenses incurred by government bodies in supervising the operations of the insurance medium are taken from the various State reports of auditors, comptrollers, treasurers, budget bureaus, and industrial commissions. The administrative expenses of the 18 State insurance funds come from the annual reports of the funds, from such annual insurance publications as *Argus Casualty and Surety Chart*, *Best's Insurance Reports—Casualty, Surety, and Miscellaneous*, and from Bureau of the Census, *Compendium of State Government Finances*, annual editions. In some States, administrative expenses were estimated for some years using the known relationships between administrative expenses and benefit payments for years when data were available. Most of the data are on a fiscal-year basis, and in the few States where only calendar-year data are available, fiscal-year estimates are made. Administrative expenses of the Federal workmen's compensation programs are taken on a fiscal-year basis from the annual reports of the Bureau of Employees' Compensation adjusted to exclude appropriations for the expenses of the District of Columbia workmen's compensation program, which are included with the State data.

In about half the jurisdictions, workmen's

compensation administrative costs incurred in supervising the operations of the insurance medium are financed through assessments levied against the premium charges of the carriers (including the State fund or self-insurer, where applicable). In the other half, the administrative expenses are financed through appropriations from general revenues. With respect to the administrative expenses of the State insurance funds in underwriting the risk, all but a few jurisdictions include these expenses in their premium charges to employers.

PROGRAM DEVELOPMENTS

Benefit payments under workmen's compensation laws increased substantially from 1929 to 1966, reflecting the growth that has occurred in the covered labor force, the increase in dollar benefit levels, and the expansion in the scope and nature of benefits paid.

Coverage. — Part of the growth in coverage was due to program changes, but the main portion was due to the changing composition of the labor force and the normal increase in population. The major program changes affecting coverage were: (1) adoption of workmen's compensation programs in the last five States—North Carolina in 1929, Florida and South Carolina in 1935, Arkansas in 1939, and Mississippi in 1948; (2) a shift from elective to compulsory laws—in 1929, 30 systems had elective laws and 15 had compulsory laws with respect to private employment; by 1966, 23 systems had elective laws and 29 had compulsory laws—and (3) some extension of coverage to small firms, agricultural workers, and State and local government employees.

Economic changes that were influential in increasing coverage were: (1) the normal growth in labor force and the emergence of an era of relatively full employment in the post-World War II period; and (2) the shift of workers to industries covered by workmen's compensation laws. For example, in 1929, 8 percent of the wage and salary labor force was employed in agriculture, which generally is not covered by workmen's compensation; by 1966 the ratio had fallen to 2 percent. Domestic workers, another group not covered by workmen's compensation, made up 7 percent of the wage and

salary labor force in 1929 and only 4 percent in 1966.

As a result of these changes, the number of workers estimated to be covered by workmen's compensation laws increased from about 23 million in 1929 to 33 million in 1946 and to 53½ million in 1966.

Scope of benefits.—The scope of both cash indemnity benefits and medical benefits has been widened since 1929. In 1929, 19 out of 45 laws paid permanent total disability benefits for life or the duration of the disability; in 1966 the ratio was 32 out of 52. In death cases, 10 jurisdictions in 1929 paid benefits to the widow for life or until her remarriage and to children until grown, with a total dollar maximum applied in three jurisdictions. In 1966 the number was 20, eight of which had a dollar limitation.

Medical benefits were paid without limit as to time and amount under 27 laws in 1929. The number had increased to 42 by 1966.

Workmen's compensation laws have also been broadened to cover occupational diseases as well

as injuries. In 1929 only 13 out of 45 laws compensated for occupational diseases generally or for designated diseases of this class. By 1966 all but one State had provisions in their laws for a worker incurring an occupational disease.

Benefit levels.—As with coverage, benefit levels increased partly as the result of statutory changes and partly as the result of external economic factors. Average wages to which cash benefits are related were four times as high in 1966 as in 1929 and the cost of medical services had risen to more than twice its earlier level. Workmen's compensation laws were changed, although belatedly, to keep pace with the rise in wage levels. In 1929, 13 jurisdictions were paying a weekly maximum for temporary total disability of more than \$20, 18 were paying \$16 to \$20, and 14 were paying \$15 or less. By 1966, 15 jurisdictions were paying a weekly maximum for temporary total disability of \$55 or more, 25 were paying \$40 to \$54, and 12 were paying less than \$40. The largest of these increases took place since the end of World War II.



Chapter 2

PUBLIC AID



PUBLIC AID in the social welfare expenditure series refers to programs that provide payments in cash, kind, and services to needy individuals and families. Unlike social insurance programs, which pay benefits as an earned right, public aid programs rely on a means or income test to determine eligibility.

Public aid programs in the series are divided into two groups, "Public assistance" and "Other public aid." Public assistance programs in turn are divided into categorical assistance programs (federally aided since 1935) and general assistance programs (financed entirely by State and local governments). The former provide support to specific categories of the needy—the aged, the blind, the disabled, families with dependent children, and the medically indigent. General assistance refers to programs of direct

or general relief that provide aid to individuals and families in need who do not qualify under the categorical programs.

The category "Other public aid" consists primarily of work-relief programs and certain Federal emergency relief programs of the 1930s and the more recent antipoverty programs that provide work experience and training for disadvantaged persons. Other expenditures covered in the category include funds for certain refugee assistance programs and the value of surplus commodities distributed to needy individuals and families. Programs providing aid to veterans on the basis of service, foster-home and day-nursery care, and public institutional care are not included here but are classified elsewhere in the social welfare expenditure series.

Public Assistance

PREVIEW

Assistance to the needy has been accepted as a public obligation in America since colonial days. The earliest laws made public help to the

poor a local responsibility. By 1898 Ohio was pioneering with a State aid program for the blind. And early in the new century, Illinois and Missouri initiated assistance programs for needy mothers and children. In 1915 Alaska

enacted the first assistance to the needy aged.

Federal participation in providing financial assistance to these three special needy groups was authorized under the Social Security Act of 1935. By fiscal year 1966, public assistance for the needy—Federal, State and local—totaled \$6.5 billion annually, with the assistance reaching about 8 million persons per month.

The growth of these Federal and State programs is detailed in this section.

DESCRIPTION OF THE PROGRAMS

Public assistance is currently the keystone of all public aid programs. These programs existed prior to most of the social insurance programs and are currently intended as a backstop to meet the minimum needs of those who are inadequately protected under social insurance and private arrangements.

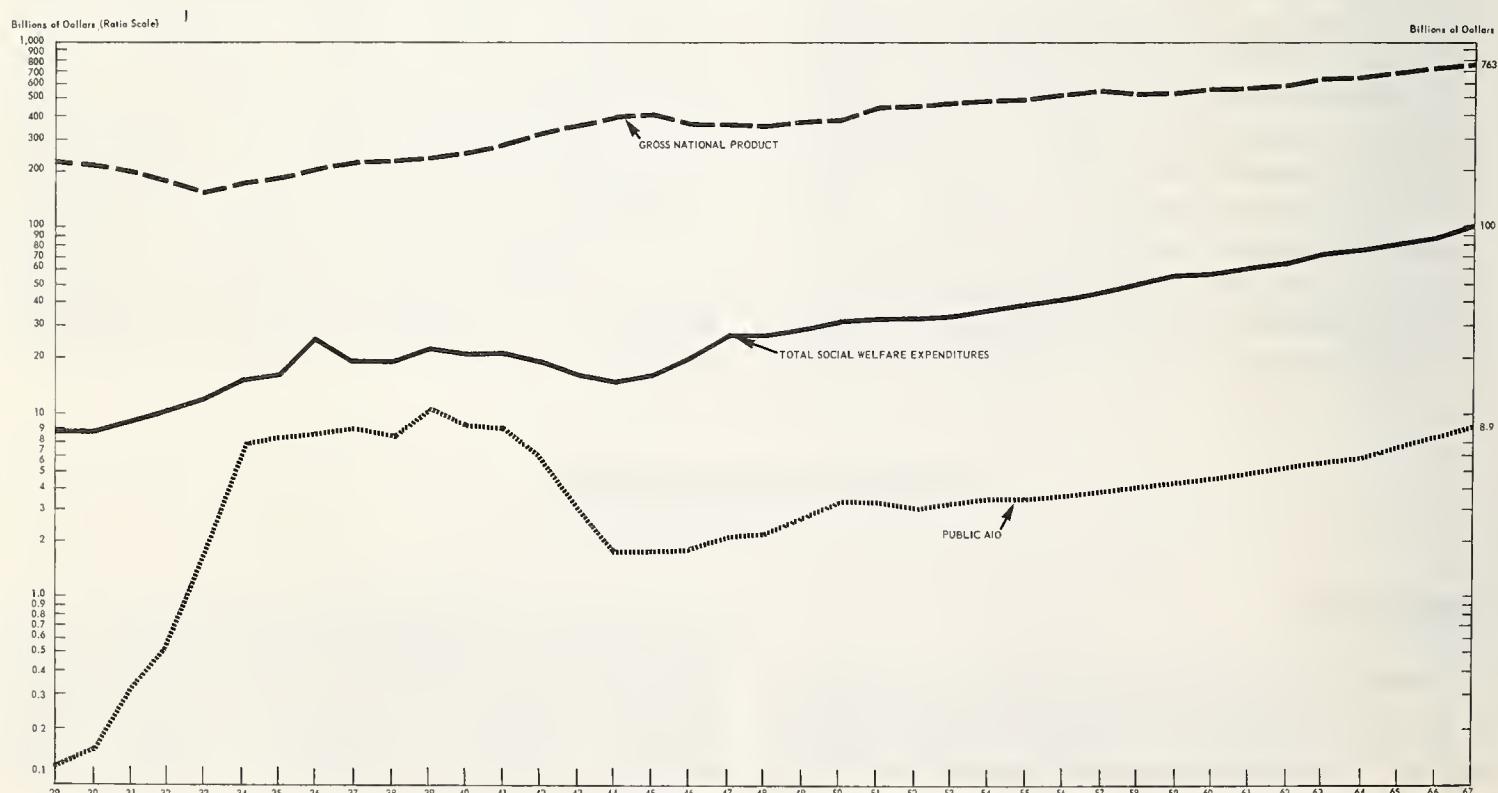
In fiscal year 1966, Federal, State and local governments spent \$6.5 billion for financial assistance, medical care, rehabilitation, and other social services (including administration) for an average of about 8 million needy persons per month under the public assistance programs:

old-age assistance (OAA), medical assistance for the aged (MAA), aid to the blind (AB), aid to families with dependent children (AFDC), aid to the permanently and totally disabled (APTD), medical assistance (MA), and the State and locally financed general assistance (GA) programs.

Prior to the passage of the Social Security Act in 1935, public assistance was primarily the responsibility of State and local governments. Special programs existed in many States to aid specific categories of the needy such as the blind, the aged, and mothers and their dependent children. State and local governments also provided direct relief (general assistance) to other persons in need.

The Social Security Act of 1935 authorized Federal participation in money payments to three categories of the needy—the aged, the blind, and dependent children. Major amendments to the Social Security Act since 1935 have extended Federal participation, both in terms of the share of total public assistance payments borne by the Federal Government and in the scope of coverage. The program has been ex-

Chart 10.—Gross national product, total social welfare expenditures, and public aid expenditures, in constant 1967 dollars, 1929–67



tended to include the permanently and totally disabled, relatives of dependent children, vendor medical payments (payments made to suppliers of services, rather than to recipients) in behalf of recipients, and such payments in behalf of the medically indigent.

The public assistance titles of the Social Security Act provide for matching grants by the Federal Government to States for programs operating under approved State plans. The choice of participating rests with the individual State. To date, all jurisdictions have federally approved plans of OAA, AB, and AFDC, and all except Nevada have programs of APTD. A majority of jurisdictions are also operating medical assistance programs—either MAA or MA.

The States are responsible for developing and administering their own public assistance programs within a framework of limitations and requirements established by the Federal Government. Among these requirements are stipulations that the plan be Statewide in character, that it be operated by a single agency with State financial participation, and that machinery for appeals exists. Applicants must meet a means test and all income and resources must be considered except that certain earned income may be disregarded in all programs and must be disregarded in the AB program. States may not exclude individuals by establishing conditions of residence, age, and citizenship beyond those permitted by Federal law.

Within the broad requirements, the States have considerable latitude in deciding how their programs will be organized and administered, who is eligible for benefits, and the amount of the assistance payments. Each State defines its own minimum standard of living against which the individual's or family's resources are measured in order to determine whether a need exists. Generally, States include in their standard, allowances for food, clothing, shelter, utilities (including fuel), household supplies, and personal incidentals. Some States also include allowances for specific items of medical care, exclusive of vendor medical payments, and some items of special need. Due to a variety of factors—differences in cost or customary levels of living, methods of evaluating resources, fiscal

resources of the States, and statutory and administrative maximums on amount of payments—there are wide variations among the States in level of payments.

The costs of the categorical programs are shared by the Federal, State, and (in about two-thirds of the States) local governments, with varying ratios of Federal matching based on the category of assistance. In addition, the formulas are designed to provide higher matching to States with more limited resources. Sliding scales provide variable matching of funds depending on the annual per capita income in a State. There is a maximum limitation on the amount or ratio of Federal sharing. The formulas for reimbursement for Guam, Puerto Rico and the Virgin Islands use different ratios and different maximums than the formulas applied for the 50 States.

The costs of administrative and other services are shared by the Federal Government and the States. The Federal share can be increased to 75 percent of the costs of providing rehabilitation and other social services and staff training in States that provide certain self-care and self-support services. Under the MA provisions, 75 percent of the cost of training and compensating professional medical personnel can be paid by the Federal Government. The costs of public assistance are almost invariably financed from general revenues.

The Federal grants to States for public assistance programs are administered by the Bureau of Family Services, Welfare Administration, Department of Health, Education, and Welfare. The Bureau reviews and approves State plans and grants, provides technical assistance, evaluates State operations, sets standards, and collects and analyzes statistics.

Old-Age Assistance

The Social Security Act of 1935 established Federal grants to the States to enable the States to provide assistance to needy individuals aged 65 and over. One State, Colorado, pays benefits to certain persons under age 65 but without Federal financial participation.

A few States require that a person be a citizen of the United States or a resident for a specified number of years. Almost all the States require

a period of residence within the State, ranging from 1 to 5 of the preceding 9 years. As of December 1966, 44 States and the District of Columbia had a residence requirement; 10 of these States had reciprocal arrangements regarding residence.

The formula for computing the Federal share of assistance payments for States that have an MA program is 31/37ths of the first \$37 of a maximum average monthly payment of \$75 per recipient, plus a proportion (varying between 50 and 65 percent, depending on the State's annual per-capita income) of the next \$38 of such payment. As an alternative, the State may apply a Federal medical assistance percentage (promulgated for MA, which varies with the State's per-capita income, ranging from 50 percent to 83 percent) to total money payments to recipients, if this procedure yields more Federal funds than the regular formula. For States that continue to include vendor medical payments as part of their OAA program, a variation of the formula is used.

Aid to Families with Dependent Children

The original provisions of the Social Security Act provided grants to the States to aid needy children whose dependency was based on the incapacity or death of a parent, or the parent's continued absence from the home. Provisions to include the needs of a parent or relative caring for a child were added later. In the 1960s the program was extended, at the State's option, to provide aid to needy children of unemployed parents. Twenty-two States in December 1966 provided such aid.

The Federal Government participates in payments by the State to needy families until the youngest child is age 18 (or 21, if attending school). Though most States provide aid up to age 18, regardless of school attendance, some help children between 16 and 18 years of age only if they are attending school.

Forty-four jurisdictions impose residence requirements of 1 year immediately preceding the application for assistance.

Federal financial participation is based on money payments and, if the State does not have an MA program, vendor payments for medical

and remedial care with a maximum of \$32 per recipient. The first portion is based on a fixed percentage (5/6ths of \$18) and the balance varies with the State's per capita income and ranges from 50 to 65 percent.

Aid to the Blind

Federal grants to enable the States to assist the needy blind were also provided under the original provisions of the Social Security Act. Each State has its own definition of blindness. The Federal statute requires that determination of blindness be made by a physician skilled in diseases of the eye or by an optometrist.

Twenty-nine States, Guam, Puerto Rico, and the Virgin Islands now (1966) have no age limitations for AB recipients. The other States have minimum age requirements ranging from 16 to 21. A few States require citizenship and 42 have residence requirements which, in some instances, may be waived if the individual became blind while a resident of the State.

For States that have an MA program, Federal participation is similar to that for OAA. In States that continue to include vendor medical payments as part of their AB program, such payments may be included in the \$75 maximum average.

Aid to the Permanently and Totally Disabled

The program of grants to States for aid to the permanently and totally disabled was added to the Social Security Act in 1950. The provisions require that, in addition to the general requirements pertaining to all the categories, the needy individual must be at least 18 years of age and permanently and totally disabled. The individual State defines permanent and total disability and generally requires that physical or mental disability be medically verified, that the disability will probably continue indefinitely, and that the resulting impairment prevents the person from engaging in a useful occupation, either as a wage-earner or homemaker.

In 1966, 43 jurisdictions had residence requirements and a few required citizenship. Federal financial participation is the same as for AB.

Medical Assistance for the Aged

The Kerr-Mills amendment to the Social Security Act in 1960 provided for a program of medical assistance for the aged (MAA) designed to enable States to purchase medical care for persons aged 65 and over who have enough income for their maintenance needs but who cannot pay their medical expenses. Starting January 1, 1966, a State's MAA program will be terminated upon the adoption by the State of an MA program under title XIX of the Social Security Act (see below). Thus, the MAA program is already in the phasing-out stage; only 20 jurisdictions had such a program in December 1966, compared with 47 in December 1965.

The Federal financial participation for MAA is based on the Federal medical percentage used in OAA, but with no limitation on the maximum payment. The full amount of medical bills may be matched.

Combined Program for Aid to Aged, Blind, or Disabled Adults

Amendments to the Social Security Act in 1962 provided for a combined single plan for aid to the aged, blind, or disabled. States have an option to develop a single program as an alternative to the present arrangement, whereby grants are made to States on the basis of separate plans for the various adult categorical programs. The requirements for a single plan are similar to those for the individual categories. The additional Federal participation for medical care under the OAA program is available for medical care for the blind or disabled, as well as the aged. As of December 1966, 18 States had taken advantage of this option.

Medical Assistance

Amendments to the Social Security Act in 1950 made available Federal matching funds for meeting the cost of medical care through direct payments to suppliers (vendor medical payments) under the programs of OAA, AFDC, AB, and APTD. The 1965 amendments added a new title, XIX, to the Social Security Act, which established a single and separate medical assistance (MA) program. This new program will

replace the provisions for purchase of medical care under the other categorical assistance programs at the end of 1969 or earlier, upon the adoption by the States of the new title XIX program. As of December 1966, 28 jurisdictions had adopted MA programs, which must cover all recipients under the four public assistance categories.

States have the option to include in the new MA programs persons who would qualify under one of the cash assistance programs except for the fact that they can provide for their own maintenance needs although not their medical care needs. If a State elects to include any persons who are medically indigent, however, it must include all persons in similar circumstances among the aged, blind, disabled and families with dependent children, as defined in the State's AFDC program. Durational residence requirements are prohibited and the scope of medical services must include five specified services by July 1, 1967. (The program of MAA had specified only "some institutional and some noninstitutional care.")

To determine financial eligibility of the medically indigent group, States are required to apply to all persons a flexible income test that takes into account medical expenses. A State may not require that an individual participate in meeting the cost of care if that will reduce his resources below the defined level for maintenance in that State, nor may the financial eligibility requirements be set at a level below the most liberal for a categorical program.

The 1965 amendments also enable the States to pay the deductible under the Medicare hospital insurance program and the monthly premiums for the supplementary medical insurance program, as part of the MA program or as part of vendor payments for medical care under a category for the aged.

The Federal share is the Federal medical assistance percentage applied to the full amount of medical bills paid by the State assistance agency. There is no limitation on the maximum payment per individual.

General Assistance

The general assistance (GA) programs are financed exclusively by State and local govern-

ments. These programs help needy persons or families who do not qualify for assistance under a federally aided category. GA programs primarily aid unemployed and unemployable persons who do not qualify for unemployment insurance or whose benefits under that program are inadequate or have been exhausted. These programs are particularly sensitive to changes in the business cycle.

Provisions for coverage, eligibility and payments vary widely among the States and these programs are usually more limited than the other categories in the duration and amount of assistance. In 12 States, usually only short-term assistance is provided; in 14, assistance is usually limited to special situations; 17 exclude families with an employable person, except in defined emergency situations. Only about half the States make money payments for maintenance items, with the balance using either vendor payments or combined vendor and money payments.

NATURE OF EXPENDITURES

Expenditures for public assistance include money payments to needy recipients, assistance in kind, and vendor payments on behalf of recipients for medical care and for other goods and services (payments directly to the suppliers of service), made from Federal, State and local funds for the categorical assistance programs and from State and local funds for the general assistance programs. Small amounts of work relief, mainly for general assistance where work relief is an integral part of the program of a State or locality, are included in the expenditures. Where work relief constitutes a separate program, or where the program is primarily a work-relief program, the expenditures appear in the series in the section on other public aid.

Administrative expenditures under the public assistance programs are included, along with grants for demonstration projects under section 1115 of the Social Security Act.

The nature of the expenditures shown vary in different time periods due to changes in the programs, scope of reimbursement, and the sources of the data.

1937 to Present

Expenditures for public assistance include payments to or on behalf of recipients under the categorical programs of OAA, AFDC, AB, APTD, MAA, and MA from Federal, State and local funds and GA programs from State and local funds. Table 2-2 shows the data for each program separately.

Data for the "Combined programs" are distributed to the categories of OAA, AB, and APTD on the basis of estimates made by the Bureau of Family Services.

Beginning in 1948, vendor payments for goods and services to enable recipients to meet their maintenance needs are reported and included in the totals. Vendor burial payments are not reported for any year. Beginning in fiscal year 1950, vendor payments for medical care are shown separately (table 2-3). For years prior to 1950, data on vendor payments for medical care are not available separately and are included in the totals to the extent reported by the States.

Where medical care costs for public assistance recipients are met through money payments, they are not shown as vendor medical payments but are included in the total payments.

Federal expenditures include the Federal share of State and local expenditures for assistance under an approved State plan for special types of public assistance, determined on the bases of periodically revised matching formulas. Federal expenditures also include the Federal share of State and local expenditures for administration and the salaries and expenses of the Bureau of Family Services and its predecessor, the Bureau of Public Assistance. The Federal share of State and local administration, beginning in 1948, includes the proportionate costs of providing social and other services.

State and local expenditures include: (1) the non-Federal share of public assistance payments under approved State plans for federally aided categorical assistance; (2) payments under State categorical programs operating without Federal participation, but not expenditures in some States for such programs operating concurrently with federally approved plans; and (3) expenditures for

general assistance programs. Administrative expenses—shown as a single separate item in table 2-2—are also included for the above categories, except where plans have been operating without Federal participation. Beginning in 1958, the administrative costs of providing social services to recipients and in 1963 for providing these services for those only receiving the social and other services are also included.

Federal grants to public assistance agencies to meet the cost of demonstration projects designed to improve the techniques by which individuals can be helped to achieve self-support are included beginning in fiscal 1964.

1932-1936

Data for fiscal years 1932-36, except for those that relate to some Federal funds in 1936, represent expenditures from State and local funds for assistance, medical care, and administration for three categories of public assistance—old-age assistance, aid to the blind, and aid to dependent children (later termed aid to families with dependent children)—and direct relief under State and local administration (general assistance). The data shown for administration are for the administration of the special types of public assistance. The data shown for the general assistance benefits include the administrative costs. The amounts shown for fiscal year 1935 include any State and local expenditures made to match Federal grants to the States under the Federal Emergency Relief Administration. The Federal funds are shown in the section on "Other public aid." The FERA funds were emergency relief funds but the State and local funds used to match the Federal funds are not separable from the public assistance data. The data on direct relief include aid to needy veterans. Vendor burial expenses are also included.

1929-1931

Expenditures for fiscal years 1929-31 are based on fragmentary data and include estimates of expenditures for the three types of special assistance, OAA, AB, and ADC, and direct relief made by State and local governments. Also included in these data are aid to veterans and probably some work relief. In ad-

dition to money payments, the expenditures probably include payments in kind, medical and hospital care, and burial expenses. From a comparison of the sources of data that overlap for the period 1932-35, it would appear that the estimates shown for benefit payments for the special types of assistance and direct relief include expenditures for administration.

SOURCES OF DATA AND LIMITATIONS

There are three sources of data used for the varying time periods, fiscal years 1929-31, fiscal years 1932-36, and fiscal year 1937 to the present. The sources are not quite comparable due to variations in definitions and to limitations of the specific data.

1937 to Present

Current data and all data from fiscal year 1937 (Federal data from 1936) for the special types of public assistance—OAA, AFDC, AB, APTD (beginning 1951), MAA (beginning 1961), and MA (beginning 1966) from Federal, State and local funds—and GA from State and local funds are from periodic issues of Bureau of Family Services, Welfare Administration, *Assistance and Administration by Source of Funds, Fiscal Years 1936 to Date*.

These data are based on reports from the States on payments made to recipients, vendor payments, and the administrative expenses of operating the public assistance programs.

The expenditures for the salaries and expenses of the Bureau of Family Services are from the *U.S. Budget* for fiscal year 1947 to the present. Estimates were made for fiscal years 1936 to 1946, by the Bureau of Public Assistance, and include salaries only. Expenditures for demonstration projects are direct obligations from *U.S. Budget*.

The major limitations arise out of incomplete State and local data reported for (1) general assistance programs and (2) categorical programs and payments provided without Federal financial participation, or programs operated concurrently with federally approved plans. For example, data from Indiana on expenditures for general assistance have not been available since 1959, and 12 States in 1965 did not report administrative costs for general assistance. The

data, therefore, underestimate total expenditures for public assistance from State and local funds.

1932-1936

Data for fiscal years 1932-36, except for Federal funds in 1936, for the special types of public assistance and general assistance (direct relief under State and local administration) are from *Security, Work and Relief Policies*, Report of the Committee on Long Range Work and Relief Policies to the National Resources Planning Board, 1942, appendix 19, pages 598-601.

The major limitation is the absence of comparable data on State and local public assistance expenditures prior to the Social Security Act of 1935. All figures used were based on special studies made by different agencies and not on a systematic reporting of the expenditures. Some of the data were based on data supplied by the Russell Sage Foundation for 76 cities and incorporated towns and a relief series established by the Children's Bureau in 1932 for 120 cities. The data from the Russell Sage Foundation and the Children's Bureau were published in Emma A. Winslow, *Trends in Different Types of Public and Private Relief in Urban Areas, 1929-35*, U.S. Children's Bureau Publication No. 237, 1937. Whereas the public assistance programs reported by the Bureau of Family Services exclude veterans' programs and work relief separate from the various categories, the early data include aid to veterans on a needs basis and also include undetermined amounts of work relief.

The data for 1932-36 and from 1937 to the present are only roughly comparable due to the variations in definitions and type of expenditures included. The data for the special types of public assistance are more comparable and reliable than the data on general assistance. In addition, the data for fiscal year 1936 are a composite of Federal data reported by the Bureau of Family Services for one-half year and State and local data reported by the National Resources Planning Board. The data on State and local administration in the two reports are not comparable as is reflected in the jump in the administration estimates between 1936 and 1937. Part of the difference is that the NRPB data did not report the administrative expenses

of general assistance separately from the program expenditures.

1929-1931

The data on public assistance and direct relief are based on fragmentary data for 120 urban areas for 1929-35 and 385 rural town areas for 1932-35. The rural town data as a percentage of the urban data for the coinciding years were applied to the urban data for 1929, 1930, and 1931. Data for only one-half year were available for 1929 and were inflated to reflect a full year. The sources of the base data were Emma A. Winslow, *Trends in Different Types of Public and Private Relief in Urban Areas, 1929-35*, U.S. Children's Bureau, Publication No. 237, 1937, pages 69-71, and Waller Wynne, Jr., *Five Years of Rural Relief*, Works Progress Administration, 1938, pages 36-37.

These data were inflated on the basis of the information given that the urban sample constituted 59 percent of the urban population and the rural towns 13 percent of the rural town population. The method of inflation was quite primitive but no other method seemed to be available due to the paucity of information on variations in payments and coverage for the Nation as whole.

The inflation of the samples is both rough in method and rough in terms of what was included in the basic data. Inflation of the urban rural data for special types of public assistance, as a whole, is within 93-98 percent of the National Resources Planning Board data for 1932-35. Although the urban-rural sample of direct relief included indeterminate amounts of Federal emergency funds for the years after 1933, these funds did not exist in the years 1929-31. The data for direct relief from the sample for 1929-31 therefore are comparable in content to the data on direct relief as reported by the National Resources Planning Board.

PROGRAM DEVELOPMENTS

Assistance to the needy as a public responsibility dates back to colonial times but in a form quite different from the present public assistance programs. Poor laws similar to the English Elizabethan poor laws were established during the early days of the Colonies. Colonial and later Territorial and State laws considered as-

sistance to the poor a local responsibility. Some States did take responsibility for the "unsettled poor," "disaster relief," and "veterans."

By the 19th century, three groups of the needy—the blind, the aged, and mothers with dependent children—were recognized as needing special consideration from society. In 1898 Ohio initiated a State program of aid to the blind, and 13 years later State assistance programs were introduced for needy mothers and children in Illinois and Missouri. The first legislation for assistance to the needy aged was adopted in the Territory of Alaska in 1915. By the end of 1929, 20 States had aid to the blind legislation, 43 States and the District of Columbia had mothers' aid, and 10 States and Alaska had enacted old-age legislation.

Many of the State laws were permissive, giving counties the option of establishing and administering the assistance program but with no financial aid from the State. Some trend toward mandatory programs and State financial participation developed shortly before the Social Security Act but the funds available were extremely limited largely due to the expanded need for unemployment relief. In 1934, of the 24 States with aid to the blind legislation, State funds were provided by 11; of the 28 States with old-age assistance legislation, State funds were available in 16.¹ In that fiscal year, the Federal Government, through the Federal Emergency Relief Administration, was providing more relief (\$667.3 million) than all the State and local public assistance programs together (\$435.9 million).

The Social Security Act of 1935 established Federal participation in three categories of public assistance: old-age assistance, aid to dependent children (previously known commonly as mothers' aid and later retitled AFDC), and aid to the blind. First payments under the Act were made in February 1936. Initially, 17 States participated in the OAA program, 10 in the ADC program, and nine in the AB program.

Since 1936 there have been many legislative changes. The public assistance titles of the Social Security Act were amended in 1939, 1946, 1948, 1950, 1952, 1956, 1958, 1960, 1961, 1962,

1964 and 1965. In 1950 Federal grants-in-aid were added for a new category of aid to the permanently and totally disabled and Federal financial participation was extended to vendor medical payments. Amendments adopted in 1960 and 1965 authorized Federal grants for the program of medical assistance for the aged and its eventual replacement, medical assistance. During the last decade the coverage of aid to families with dependent children was broadened and increased Federal participation at a 75 percent rate was made available in the administrative cost of providing auxiliary social services and the training of personnel. In 1950 federally aided public assistance programs were extended to Puerto Rico and the Virgin Islands and to Guam in 1959.

The OAA program was the first program to gain wide acceptance among the States. By 1938 all 51 eligible jurisdictions had federally approved programs. OAA remained the largest of the federally aided public assistance programs in terms of number of recipients until the mid-1950s when the number of ADC recipients, which had increased steadily during the war, surpassed it.

Other assistance programs also achieved universal State coverage, though at a slower pace. With the approval of Nevada's plan in 1953, all States had AB programs in operation. Nevada in 1955 was also the last State to adopt an AFDC program.

In addition to the changes described above, the Congress has made 11 major changes in the formula for determining the Federal share of assistance payments. Each of these changes provided for a higher rate of Federal financial participation in assistance payments.

The first change in the amount of Federal participation in public assistance payments took place in 1939, increasing the Federal share. In 1946 a second increase was made effective for a specified period and another in 1948 was extended in 1950. In 1950 Federal financial participation was extended to vendor medical payments and to aged and blind persons in certain medical institutions.

To make additional funds available to the States, the formula was liberalized in 1952 for a 2-year period. The change was again extended in 1954.

¹ Josephine Chapin Brown, *Public Relief 1929-39*, Henry Holt Co., 1940, p. 27.

The 1956 amendments provided for major changes in Federal matching, increasing the Federal share in assistance payments and establishing a new basis for the matching of vendor medical payments.

In 1958 the whole basis for matching of funds was again revised. The new formula was based on an average monthly limit of the combined money and vendor payments, subject to Federal matching. To encourage States to extend financial aid, a new sliding scale related to the financial capacity of each State was instituted; part of the Federal formulas within the combined maximums were based on a fixed fraction and part on a sliding scale related to the annual per capita income of a State. At the same time, the maximums for Puerto Rico and the Virgin Islands were raised.

Federal participation in vendor medical payments under the old-age assistance program was increased in 1960. At the same time, with the inception of the new MAA program, a matching formula establishing a new precedent of open-end benefit expenditures—the absence of a dollar maximum—was instituted for MAA. In 1961 another increase in payment maximums and the Federal share took place.

The amendments of 1962, designed to encourage self-care, rehabilitation and extended social services, increased Federal matching to 75 percent of social services and staff training for these purposes. The enactment of the combined program of OAA, AB, and APTD made the more liberal vendor medical provisions under OAA available to AB and APTD recipients.

A major extension of the open-end matching provisions for vendor medical payments under MAA to all categories of recipients and to certain groups of the medically indigent occurred under the new medical assistance provisions of 1965. The 1965 amendments also liberalized the Federal matching of benefits in each category and provided 75 percent of costs for compensation and training of medical personnel who administer an MA program under title XIX of the Social Security Act.

The overall effect of the changes in formula has, of course, been an upsurge in Federal expenditures and an increased Federal share of

public assistance costs. Since there are no Federal funds for the general assistance programs, the total Federal share of all public assistance will be affected by the increase or decline in general assistance which, more than the other programs, is the most sensitive to changes in economic conditions. Federal participation in assistance, excluding general assistance, has been on a steadily upward trend, increasing from 38 percent in the first full year of Federal participation in public assistance to 58 percent in fiscal 1966. When the general assistance programs are included, the Federal share of total public assistance has risen from 18 percent in fiscal year 1937 to 55 percent in 1966.

Old-Age Assistance

The basic program of old-age assistance has changed little insofar as coverage is concerned. The amount of income that may be disregarded in determining need has been liberalized and the 1950 amendments extended Federal matching to aged persons in certain medical institutions. The 1965 amendments removed the restrictions on payments for aged persons in institutions for tuberculosis or mental diseases.

In December 1936, 1.1 million aged individuals were aided, compared with 2.1 million in June 1966. The aged population as a whole more than doubled during this period. The number of aged persons receiving OAA grew fairly steadily in relation to the aged population, except for a slight drop during World War II, until 1950 when coverage under the old-age and survivors insurance program was extended to additional groups of the aged. After 1950 the number of aged persons receiving OAA declined absolutely and as a proportion of the total aged population. Average monthly payments for the country as a whole rose from \$18.79 in 1936 to \$77.58 in June 1966, ranging in the latter month from \$45.31 in Mississippi to \$124.47 in Wisconsin. Total expenditures rose from \$244.2 million in fiscal year 1937 to \$2,003.9 million in 1966, with some drop in 1962 during the transfer of some recipients to the MAA program. The increase in expenditures is due to the growing aged population, the rise in the cost of living, and some improvement in assistance standards.

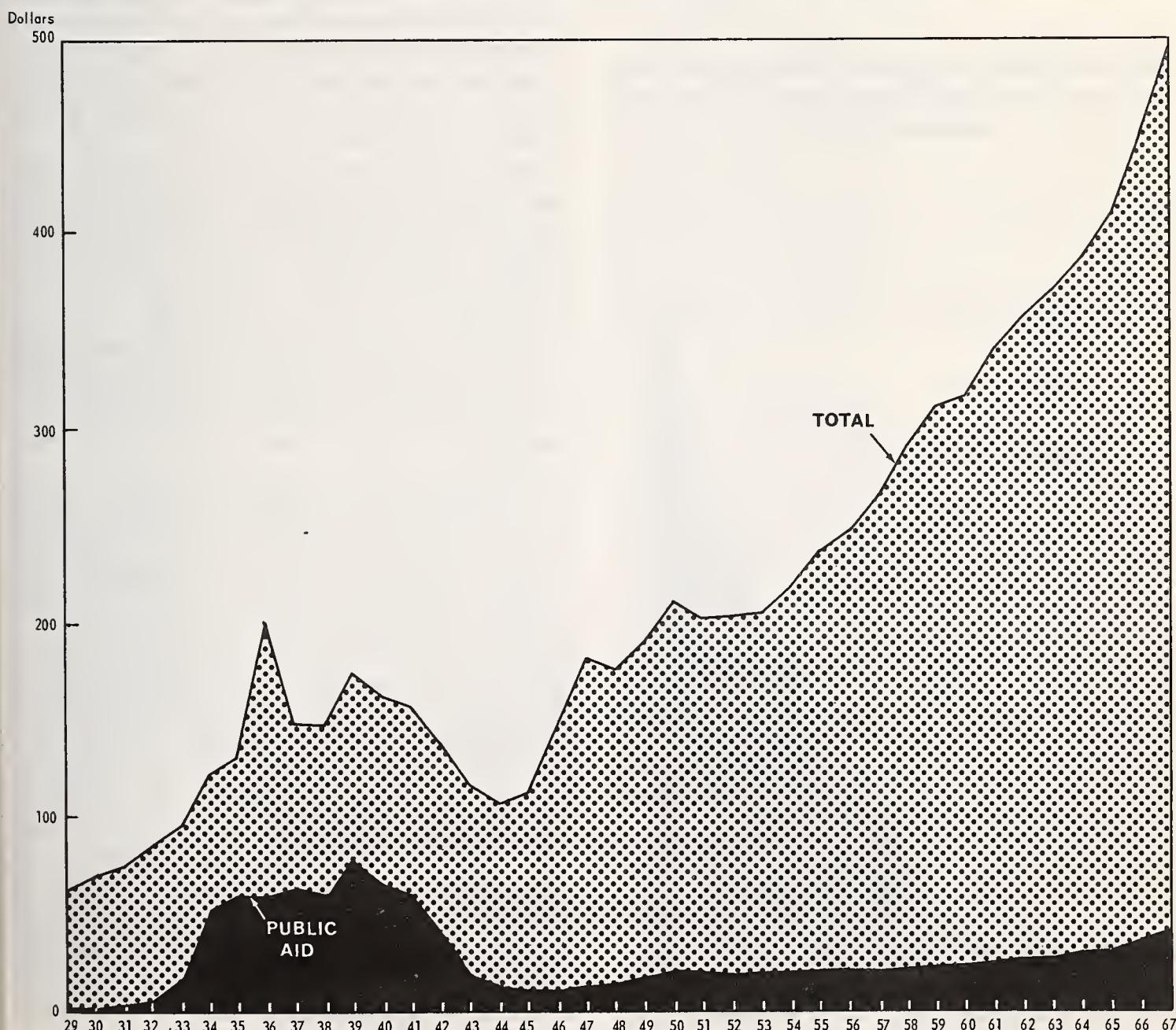
Aid to Families with Dependent Children

Substantial changes in scope and coverage have been made in the Federal provisions of the AFDC program. The Social Security Act of 1935 provided aid to dependent children whose dependency was based on incapacity of the parents, or death or absence of a parent from the home. Prior to 1950, the needs of a parent or relative caring for a dependent child were not included for Federal matching purposes. The 1950 amendments added Federal matching payments for one relative with whom a

dependent child resided.

In 1961 ADC coverage was broadened for 1 year to include children deprived of care due to the unemployment of the father. The 1962 amendments extended these provisions until 1967, providing for Federal matching in assistance to both parents and also extended Federal matching to children already receiving benefits who are removed by court order to an approved foster home. At this time, the name of the program was changed to Aid to Families with Dependent Children to reflect emphasis on the family unit. The 1965 amendments extended

Chart 11.—Per capita expenditures in constant 1967 dollars for total social welfare and public aid, 1929–67



AFDC payments to students attending college, up to the age of 21 (previously 18).

In December 1936, 404,000 children were aided; the average monthly payment per family was \$29.82. After 1950, when one parent or relative could be included, there were 2.2 million persons aided, including 1.7 million children. The average monthly payment per recipient was \$21.13; per family it was \$72.42. In June 1966, 4.5 million persons were aided, including 3.4 million children and the payment per recipient was \$34.88. Payments per recipient ranged from \$7.89 in Mississippi to \$51.44 in New Jersey. Since 1957 the AFDC program has had the largest number of recipients of all the public assistance programs.

Increases in the caseload reflect the increased coverage, but AFDC is also more responsive to changes in economic conditions and increased unemployment than all other special types of public assistance. Total payments for AFDC increased from \$58.5 million in fiscal year 1937 to \$1,859.0 million in 1966, but decreased during part of World War II and the Korean hostilities, reflecting the increased employment opportunities. The overall increase in number of recipients and total payments reflects the expanded coverage, greater number of children, and increased living costs.

Aid to the Blind

Aid to the blind has remained substantially the same in scope except for the extension of Federal matching of payments to blind persons in certain medical institutions and the liberalization of income that may be disregarded in determining the need.

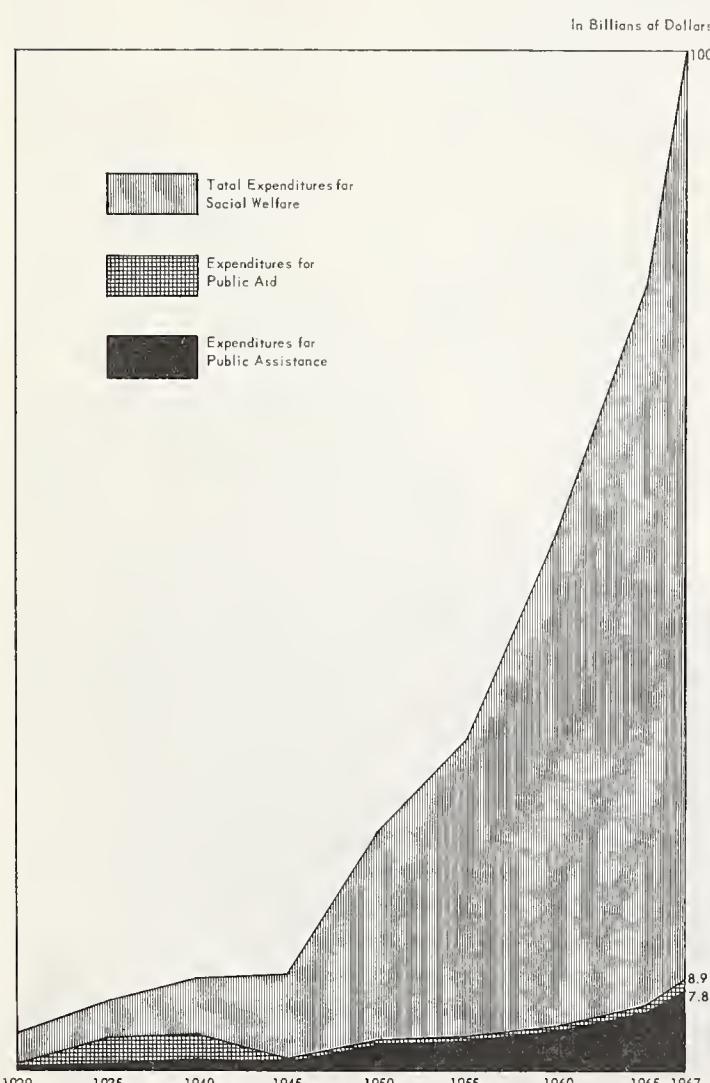
The number of recipients of aid to the blind rose steadily, from 45,000 in 1936 to a peak of 110,000 in 1958 and then gradually declined to 85,000 in June 1966. Several reasons account for the decline in the caseload since 1958, including the availability of disability insurance under the OASDHI program, changes in State program administration, and the increasing success of blindness prevention, rehabilitation, and training.

Average monthly payments for the country as a whole rose from \$26.11 in 1936 to \$90.16 in June 1966, ranging in that month from \$48.84 in Mississippi to \$146.35 in Massachusetts. Total expenditures have grown from \$13.5 million in fiscal year 1937 to \$91.4 million in 1966. The increase in total expenditures is due to the overall increase in the number of persons aided, improved standards of assistance, and the increase in the cost of living.

Aid to the Permanently and Totally Disabled

The 1950 amendments added the category of aid to the permanently and totally disabled. Except for revised formulas for Federal matching purposes, and increases in income that may be disregarded, the program has remained

Chart 12.—Growth in aggregate dollar amounts of expenditures for total social welfare, public aid, and public assistance, 1929–67



substantially the same.

The number of recipients grew from 69,000 in 1950 to 588,000 in June 1966. Average monthly payments have increased from \$45.41 to \$81.50 and the range in June 1966 was from \$45.51 in Mississippi to \$169.89 in Massachusetts. Total payments increased from \$32.5 million in fiscal year 1951 to \$582.0 million in 1966. Increases in the population, adoption of the program by additional States, and increased caseloads and monthly payments in other States have all been factors in program growth.

Vendor Medical Payments

The 1950 amendments permitted Federal matching of vendor medical payments. Small amounts for certain medical maintenance expenditures can be budgeted into the monthly payments to recipients, but major expenditures for hospitalization and nursing-home care do not lend themselves to a monthly budgeted amount. Major medical expenditures are more easily handled by direct payments to the suppliers of medical care (vendor medical payments). Prior to 1951, there was no Federal financial participation for this type of medical payment, although many States handled the larger medical care expenditures for recipients through the vendor payment mechanism.

Since the 1950 amendments, several changes have been made that have increased the Federal share of vendor medical payments. The Federal share of OAA vendor medical payments was increased in 1960, at the same time as the vendor medical payment program of the MAA program was established. In 1962 the more liberal matching for OAA vendor medical payments was extended to the disabled and blind, as well as the aged, through a combined program for the aged, the blind and disabled. Under the 1965 amendments, Federal grants for vendor medical programs for the separate public assistance programs and for the combined program will terminate at the end of 1969, to be replaced by the new MA program.

Vendor medical payments have increased rapidly from a total of \$100.7 million in fiscal 1951 to \$1.7 billion in 1966. More than 53 percent of all the vendor medical payments in fiscal year 1966 were under the MAA and MA pro-

grams. Reflecting the difficulty in budgeting for heavy medical expenses through a monthly budget, payments for hospital and nursing-home care in fiscal 1965 accounted for three-fourths of all vendor medical payments.

Medical Assistance for the Aged

The medical assistance for the aged provisions enacted in 1960 were designed to encourage the States to help the medically indigent aged meet their medical needs.

As with the other public assistance programs, MAA has been characterized by variations in coverage, scope of services, and eligibility. Three States—California, New York and Massachusetts—had one-half of all expenditures under MAA in October 1965.

The MAA program is to be replaced by the new MA program by January 1, 1970. The effect of this changeover has already been felt as the number of MAA recipients, which had increased from 15,000 in 1960 to a high of 280,000 in 1965, dropped to 195,000 by June 1966 as recipients began to be transferred to the MA rolls. Expenditures under the MAA program increased from \$42.9 million in fiscal year 1961 to \$537.7 million in 1966, but are expected to drop off rapidly.

Medical Assistance

The medical assistance program enacted in 1965 enables the States to provide a single health program for the indigent and medically indigent with Federal financial participation. The new medical assistance program extends the principle of medical assistance for the aged to the categories of the blind, the disabled, and families with dependent children for both the indigent and medically indigent. At the end of fiscal year 1966, vendor medical payments were made in behalf of 653,000 persons in the seven States reporting data. The program was in operation in nine States. Payments began in January 1966 and amounted to \$372.4 million for the remaining half of fiscal year 1966.

General Assistance

General assistance programs are exclusively financed through State and local funds. As coverage has been extended through the addition

of new federally aided programs, or, as in AFDC, extended to additional recipients, the number aided under general assistance programs relative to the other public assistance programs has declined. General assistance programs are particularly sensitive to the business cycle and the number of recipients aided increases in recessions and depressions.

The data on the number of recipients reflect the changes in coverage of the federally aided categories and in economic conditions. In 1936 an estimated 4.7 million persons were aided under the general assistance programs and in 1938, 5.3 million. There was a steady decline in the number aided during World War II, reflect-

ing improved economic conditions, and the wartime economy. By 1945 the number aided had fallen to 427,000. In 1949 the number of recipients rose to 1.3 million, reflecting the economic slump. After 1950 the caseload again declined until 1953, rose again and reached 1.2 million in 1958. In June 1966, there were 592,000 recipients of general assistance.

Average payments per case rose from \$24.13 in 1936 to \$72.70 in June 1966. For the latter month grants ranged from \$4.09 per recipient in Arkansas to \$72.40 in the District of Columbia. Total payments declined from \$502 million in fiscal year 1936 to \$85 million in 1945, and in 1966 were \$350 million.

Other Public Aid

PREVIEW

In addition to financing public assistance for individuals and their families, the Federal Government has engaged in emergency welfare programs. Prior to 1929 these were often ad hoc responses to natural disasters. The 1930s brought multiple efforts to provide emergency relief and work relief to the needy unemployed, the efforts peaking in fiscal year 1939 when Federal expenditures reached \$2.6 billion. More recently, refugee assistance and Economic Opportunity Act programs have dominated the effort. In the section that follows the many different programs are described in the following chronological groupings: Pre-1932, 1932-1935, 1935-World War II, World War II-present.

DESCRIPTION OF THE PROGRAMS

The category "Other public aid" in the social welfare expenditure series includes relief programs other than public assistance that provide aid in cash, kind, or services based on the needs of individuals or families. A plethora of programs are included here. During the 1930s, emphasis was placed on emergency relief and work-relief programs in which needy unemployed persons earned all or part of their assistance payments through employment. These programs reached their peak in fiscal year 1939

when expenditures mounted to \$3.1 billion. During the war and immediate postwar years, expenditures dwindled to practically nothing. In the 1960s, interest was rekindled in governmental measures to provide employment opportunities for the disadvantaged, with the emphasis shifting to work experience and training programs. Under the antipoverty program, expenditures for these activities reached \$580 million in fiscal year 1966.

Throughout the entire period, a surplus commodity program for needy individuals was in existence, supplemented by a food stamp program in the pre-World War II period and in the 1960s. The prewar peak of \$189 million expended for both these programs was not reached again until the fiscal year 1962. The 1966 expenditure for both the surplus commodities and food stamp program amounted to \$204 million.

A final series of programs included in the "Other public aid" category have to do with refugee assistance. These programs were prominent in the World War II period and in the 1960s. Annual expenditures for these programs have been less than \$50 million.

The great bulk of expenditures under "Other public aid" has come from Federal funds, at least from 1933 on. State and local expenditures reached a high of \$562 million in fiscal year

1941 when they amounted to 23 percent of total outlays.

Pre-1932 Developments

Prior to 1932, direct relief was considered primarily a matter of local public and private responsibility. Sometimes as a result of natural disasters, emergency relief was provided by State governments. Similarly, at the Federal level, there had been some sporadic Federal aid for emergency welfare purposes beginning in the 19th century, but such aid was usually an ad hoc response to purely local disasters. From 1827 to 1927, Congress appropriated \$11 million dollars for relief from disasters and for general relief in the Southern States after the Civil War.² Some efforts were made in Congress during the depressions of 1893, 1914, and 1921 for unemployment relief but these efforts were unsuccessful.

The economic dislocations of the 1929 depression and the drought in the farm areas in 1929 and 1930 severely taxed the resources of private relief agencies and local relief machinery to provide for the growing number of unemployed and destitute. Between fiscal years 1929 and 1932, non-Federal direct relief expenditures, which are included in the series under "General assistance," grew from \$27.3 million to \$118.7 million and expenditures for work relief, which are included in the series under "Other public aid," grew from \$0.1 million in fiscal year 1929 to \$66.0 million in fiscal year 1932.

As the depression continued, more and more pressure was exerted on the States to provide funds to localities to aid with the relief problem. By mid-1933, almost half the States were appropriating funds for emergency relief. Increasing concern was also shown by the Federal Government through the organization of the President's Emergency Committee for Employment in 1930, and the President's Organization on Unemployment Relief in 1931.

The growing problem of unemployment, the increasing exhaustion of local and private funds and the inability of most States to meet the problems of the depression resulted in

growing pressure on Congress and the Federal Government to provide Federal aid.

Programs—1932-35

The period from 1932 to 1935, before the enactment of the Social Security Act, was characterized by experimentation on the part of the Federal Government with various types of public aid programs, beginning at first with loans to the States, progressing to various combinations of emergency direct relief and work relief and culminating in the provisions of the Social Security Act providing for the categorical public assistance programs as well as the long-term preventive programs of unemployment insurance and old-age insurance.

Reconstruction Finance Corporation.—In January 1932, Congress created the Reconstruction Finance Corporation (RFC) to aid in financing agriculture, commerce, and industry. The Emergency Relief and Construction Act, effective July 21, 1932, expanded the Reconstruction Finance Act to provide "advances" to the States for relief and work relief. The initial intent of this first national emergency relief legislation was to provide loans of \$300 million to the States to institute public projects to provide employment. Subsequent legislation removed the requirement of repayment and the RFC expenditures are therefore deemed grants rather than loans.

Civilian Conservation Corps.—In March 1933, the Civilian Conservation Corps (CCC) was established. This was the first federally sponsored and administered work-relief and work-training program. The purpose of the CCC was to relieve unemployment among young men, restore depleted natural resources, and conduct a program of public works.

The CCC established more than 1,500 camps for young unmarried men aged 18-25 who worked on projects planned by the Departments of Agriculture and Interior. The work included reforestation; prevention of forest fires, floods, and soil erosion; and construction programs. The program also provided education and training. Enrollment was at first restricted to youths from families on relief. Later, youths from nonrelief families were also selected, with priority given to those who were most needy. En-

² Josephine Chapin Brown, *op. cit.*, p. 36.

rollees were paid a base amount of \$30 a month (in addition to food, clothing, shelter, medical care, and other such services), a certain proportion of which had to be allocated to dependents.

Between April 1933 and April 1938, more than 1,900,000 men were accepted for CCC employment. Expenditures rose from \$8.8 million in fiscal year 1933 to a peak of \$486.3 million in 1936, and then gradually declined to \$162.7 million in fiscal year 1942 and \$15.0 million in 1943. In June 1942, the program was officially discontinued but expenditures were made after that date for obligations incurred.

The CCC was the forerunner of the Job Corps program of the 1960s. The major distinction is that under the CCC a full workweek was expected of the enrollees with the training and education programs scheduled after working hours, while in the Job Corps training, education, and work are integral parts of the program.

Federal Emergency Relief Administration.

—The Federal Emergency Relief Act of May 1933 provided a program of outright Federal grants to States and localities for unemployment relief, in the form of both direct relief and work relief. The Federal Emergency Relief Administration (FERA) was established with authority to expend \$500 million, half to be distributed among States on a matching basis, with the remaining grants discretionary. The FERA required that all Federal funds be spent by public agencies, a public aid policy that was not reversed until the Economic Opportunity Act of 1964, except for certain small expenditures in refugee programs.

During the brief life of the Civil Works Administration (CWA), the FERA ceased all work-relief projects but these were reinstated when the CWA was liquidated. The work-relief program instituted after CWA was called the "Emergency Work Relief Program" and was intended only for those in need of relief. Earnings were determined by need and workers were then employed for the number of hours needed to make up the budgetary deficiency. During the peak of the emergency work-relief program the number employed reached almost 2.5 million.

The program for the distribution of surplus commodities was also part of the FERA, beginning in 1933. A description of the surplus

commodity program appears on page 91.

In April 1934, a rural rehabilitation program for destitute farm families was begun by FERA which included loans, "work for relief" projects, and a proposal for rural industrial communities. The rural rehabilitation program was transferred to the Resettlement Administration in 1935.

Other programs of the FERA included the following:

—An emergency education program to employ destitute unemployed teachers was established. It provided general adult education, literacy classes, vocational education, and rehabilitation. The program, as part of the FERA, ended in 1935 but was incorporated into the Works Progress Administration (WPA).

—In 1933 FERA established a division to aid transients. Later, this program was also absorbed into the WPA. Transient relief centers and work camps were operated by State emergency relief administrations and provided food, clothing, shelter, medical care, and cash to the recipient. Most transients performed some type of work. At the peak, about 300,000 persons were aided.

—In addition, FERA established a college student aid program providing part-time employment for students to enable them to continue their education. This program was later transferred to the National Youth Administration.

The FERA ceased operations in December 31, 1935, although constituent parts were transferred to other agencies. More important than the continuation of specific programs were the seeds of other programs and the administrative machinery that had been generated. The FERA laid the groundwork for the work-relief programs that continued into the 1940s, the Federal grants for public assistance programs and the Federal-State administrative arrangements. Legally, FERA was not officially liquidated until June 30, 1938, and continued to fulfill commitments previously made. However, it instituted no new programs after 1935. After that year, the main emphasis of Federal participation in "Other public aid" programs shifted to work-relief programs.

Expenditures under FERA rose rapidly from a modest \$37.9 million in the last few months of fiscal year 1933 to a peak of \$1.7 billion in 1935.

In that year, FERA accounted for almost three-fourths of all "Other public aid" expenditures and almost three-fifths of all public aid expenditures, including public assistance.

Public Works Administration.—In June 1933, the Public Works Administration (PWA) was established under the National Industrial Recovery Act. The purpose was primarily to stimulate private industry through grants and loans for construction of federally approved public works projects.

Although the PWA programs are important historically in the development of the work-relief programs, their expenditures are excluded from the "Other public aid" category.³ A major reason for their exclusion is the fact that PWA programs made large use of private contractors and the recruitment of labor was only to a limited degree restricted to persons who could prove need. Other reasons for the exclusion of emergency public works are the difficulties of differentiating between public works initiated primarily to provide work relief and those initiated to meet normal construction needs of the community.

Civil Works Administration.—The Federal Civil Works Administration (CWA) was established in November 1933 to meet the high anticipated unemployment during the winter months and because of limitations in the FERA and PWA work programs. The CWA program was designed to provide relief including the institution of work-relief programs and the stimulation of those programs already in existence.

The CWA program was discontinued after 4 months, largely due to its high costs. In January alone, CWA projects employed over four million persons. During the operation of CWA, the work programs of the FERA were temporarily discontinued. CWA, unlike FERA, was a directly operated Federal program with some State and local financial participation. The emphasis of the program was on providing for needy employables, although prior relief status was not required and regular work was provided

at regular wages. In fiscal year 1934, CWA expenditures amounted to \$987 million and accounted for almost one-half of all expenditures under the category "Other public aid." Although the program was in operation for only 4 months, the obligations continued beyond the period and expenditures are shown in the accompanying tables until 1940.

Programs—1935-World War II

After 1935 and the end of the FERA as an operating agency, Federal emergency relief programs providing direct relief declined. The emphasis of Federal programs shifted into work relief and surplus commodities and the long-term programs under the Social Security Act. The Federal government took primary responsibility for providing for the needy employables through direct Federal works programs and assisted the States in aid for unemployables through grants for categorical assistance (see public assistance section).

In April 1935, Congress enacted the Emergency Relief Appropriation Act of 1935. Under this Act a works program was established and some programs already in existence were continued or reorganized. The CCC was continued, and the Federal Surplus Relief Corporation became the Federal Surplus Commodity Corporation. The Resettlement Administration was established to absorb the rural rehabilitation program. The Works Progress Administration and the National Youth Administration were established.

These programs continued up to World War II and ended with the gradual absorption of all employable people into the war economy. The one exception was the food surplus program, which has operated continuously.

Resettlement Administration and Farm Security Administration.—In June 1935, those activities of FERA that related to rural relief, rural rehabilitation, and drought relief were transferred to the newly created Resettlement Administration. The Resettlement Administration in turn was transferred in 1937 to the Department of Agriculture where, with some modifications, it became the Farm Security Administration.

In November 1935, direct grants to provide

³ PWA programs that provided low-rent public housing are included in the series under the "Housing" category, and PWA expenditures for construction of school buildings are included under "Education."

emergency assistance to needy farm families were established. Originally, the grants were limited to rehabilitation purposes, but later the grants were extended to provide short-term grants to meet catastrophies. After 1939 the recipients were required to agree to perform useful work. The grants under the resettlement program were direct relief, financed exclusively by Federal Government.

The program also included tenant-purchase loans and rehabilitation loans to farmers for the purchase of land, equipment, livestock, and seed. Since loans are excluded from the social welfare expenditure series, these expenditures are not included in the accompanying tables.

In addition to direct relief, farm families were provided services which included farm-home management plans, farm debt adjustment services, and a medical care program. Migrant farm labor camps were established to provide shelter and medical care as well as cash grants and commodities. These camps were begun in March 1936. The migrant program was federally directed and administered, as was the subsistence grant program.

Expenditures for the direct relief program of the Farm Security Administration rose from \$20.3 million in fiscal 1936 to \$32.3 million in 1940. After 1940 these expenditures declined. In June 1942, the appropriations were reduced and payments were limited to need due to natural disasters. The FSA subsistence payments declined substantially thereafter and terminated in 1947.

Work Projects Administration.—The Works Progress Administration (later renamed Work Projects Administration) was established in May 1935. The purpose of WPA was to take people off the relief rolls and give them work in projects operated by the government. The projects were mainly of a light public works character in which a major part of the funds could be spent on wages rather than on costly materials.

The program differed from previous work programs in two important respects: (1) it was strictly a Federal program, while the others had been Federal-State administered; and (2) wages were paid on a so-called "security" basis, instead of on a budgetary deficiency basis.

Local or State government agencies planned

and sponsored most projects and until August 1939 determined the eligibility of workers with respect to need and employability. After August 1939, referral of workers was made by the localities and certification and assignment by WPA. The Federal Government formulated policies and procedures, approved the projects, assigned workers, and determined wages and working conditions.

Eligibility for WPA employment was based on need, but where FERA payments had been based on budgetary deficits the WPA used a fixed monthly wage, based on the type of work performed. Not more than one member of a family could be employed on WPA and the size of the family was not considered in determining wages. By 1940 eligibility also included the following requirements: Preference was given to families or persons with no other income, second preference to those with incomes below a subsistence level, and next preference to veterans and their widows and wives of unemployable veterans. Reviews of eligibility were conducted every 6 months prior to 1940 and every year thereafter. Eligibility also required citizenship and employability, and some localities imposed residence requirements.

Employment under WPA reached a peak of 3.3 million workers in November 1938. By June 1943, when operations came to an end, about 8.5 million separate individuals had been aided through total wage payments of \$9 billion.

Where the FERA used the grant-in-aid mechanism, WPA projects were federally supervised projects, but with the States and localities sharing the costs. Between 1935 and 1941, the Federal Government provided approximately 79 percent of the financing and the States and localities the balance. The State and local share varied between 10 percent in 1936 and 31 percent in 1941.

The WPA program reached maximum expenditures in very short order. Total expenditures were \$1.4 billion in the first year (fiscal 1936) and in the next 6 years ranged from \$1.3 billion to \$2.7 billion. In the peak fiscal year of 1939, the WPA program was responsible for 85 percent of all expenditures under "Other public aid" programs, and for 63 percent of all public aid expenditures, including public assistance.

In December 1942, an executive order was issued to liquidate all such projects by February 1943. The program finally ended in June 1943. The end of the WPA, as with the other public aid programs begun during the depression, was a direct result of the booming war economy. As workers were drafted into the armed services and additional workers were recruited to fill industrial and other jobs, unemployment rapidly declined and the need for work relief declined with it.

National Youth Administration.—The National Youth Administration (NYA) was established in June 1935 to provide relief and work relief for unemployed youths between the ages of 16 and 25. The NYA program consisted of two parts—a student-aid program, which helped students remain in school, and a work-relief program for youths no longer attending school. NYA also included an apprenticeship training program and a youth placement program, together with training in constructive leisure-time activities.

The student work program provided part-time jobs to needy youths attending schools, colleges, and universities, to enable them to remain in school. Eligibility requirements included an age range of 16–25, demonstrated need for funds to continue in school, and citizenship. Those eligible had to be regular students in the participating educational institutions. The determination of eligibility was made by the participating educational institution which also supervised the work of the students. At its peak, the program aided more than 400,000 youths attending school.

The Federal Government established the terms and conditions of employment including minimum and maximum monthly earnings and maximum hours of work. In 1940 the earnings averaged \$7.38 a month. State youth administrations were responsible for the general operation and supervision within the States.

The out-of-school work program provided part-time and full-time employment on public projects for needy citizens between 18 and 25 years of age. Need had to be certified either by local relief agencies or the NYA but eligibility was not restricted to youths coming from a family receiving relief. Until 1938 the local agencies were responsible for certification, but

by 1940 most State youth administrations were handling the certification. After 1941 the placement function was performed by the Bureau of Employment Security of the Social Security Board, while the counseling was performed by the NYA.

The NYA established the wage scales and other working conditions. Earnings averaged \$15.15 a month in 1940. At peak employment the out-of-school program was aiding over 400,000 youths a month.

Financing of the two programs was mainly from Federal funds with some contributions made by local agencies in the out-of-school program. Expenditures in the first year of the program (fiscal 1936) were \$37 million and reached a peak of \$151 million in 1940–41, as the defense work training program went into high gear. The program was terminated in 1943 and some small expenditures were made after the termination of the program.

Surplus Commodities and Food Stamps, 1934 to the Present

The surplus commodity and food stamp programs cannot be treated exclusively as depression-year programs inasmuch as they have been in operation in some form continuously since 1934.

Surplus commodities.—The Federal Government distributes food commodities acquired under the surplus removal and price support programs to local school lunch programs, to needy persons, and to "charitable" institutions. Food acquired under commodity programs is also distributed abroad, but these purchases are not included in the social welfare expenditure series. The value of commodities distributed to institutions and purchased for the school lunch program are not included in the "Other public aid" series, but are shown under the category, "Other social welfare."

The distribution of surplus commodities as a mechanism for providing public aid was begun under the FERA program. The program was originally administered by the Federal Surplus Relief Corporation. In 1935 the Corporation became the Federal Surplus Commodity Corporation, which was transferred to the Department of Agriculture and became the Surplus Marketing Administration in 1940. The Surplus

Marketing Administration was absorbed into the Agricultural Marketing Service (later, the Consumer and Marketing Service) in 1942.

Authorized by the 1935 Agricultural Act, an amount equal to 30 percent of the gross customs receipts collected during each calendar year has been made available for expanding domestic and foreign markets as outlets for farm commodities. Under Section 32 of this program, surplus removal foods have been purchased by the Federal Government and, through arrangements with a State agency, distributed to needy persons through a local welfare agency. During the early years of the program the distribution of commodities was made to recipients of public assistance, and to WPA, NYA, CCC, and Farm Security program recipients as well as borderline need cases.

The Agricultural Act of 1949 continued the program, and Section 416 also authorized the Commodity Credit Corporation to donate certain price-supported and perishable commodities to support the school lunch program, charitable institutions, and needy persons.

The Consumer and Marketing Service of the Department of Agriculture currently directs and coordinates the programs, sets standards for State participation, arranges for processing and packaging of the foods, and pays the cost of transporting them to receiving points where the States take over distribution.

In 1940, 11.5 million persons received surplus commodities. This number declined to 114,000 in 1953 and rose again in 1965 to 5.8 million, almost half of whom were receiving public assistance.

The fluctuations in expenditures reflect not only the number of needy recipients but also the supply of surplus commodities. Federal expenditures for surplus commodities were \$188.9 million in fiscal year 1935, declined to \$75 thousand in 1946, rose again to \$226.9 million in 1962, and were \$134.1 million in 1966.

Food stamp plan.—The first food stamp plan was adopted in 1939. Under this plan, the Federal Government did not purchase or distribute any commodities; rather, the surpluses were moved through the regular commercial channels of trade. The Surplus Marketing Administration of the Department of Agriculture established stamp issuing offices in various

areas. The local welfare agencies certified the eligible families. Financing was from part of the surplus commodities funds.

The arrangement was that orange stamps were purchased and for each stamp bought blue stamps were issued in addition. Both types of stamps could be used for food in any grocery store. The blue stamps, however, could be used only for food products declared surplus by the Secretary of Agriculture.

The first food stamp program continued until 1943. From 1943 to 1961, there were no further food stamp distributions. The program was re-instituted on a demonstration, or pilot, basis in 1961. The aim of the second food stamp program was to encourage increased domestic use of agricultural commodities by low-income families (though not necessarily welfare recipients), through the issuance of food coupons that could be used in retail stores. The program continued on a pilot basis until enactment of the Food Stamp Act on August 31, 1964.

The latter Act provided for financing from direct appropriations instead of from allocations from the surplus commodities fund. The States are responsible for certifying needy persons and families and for the issuance of the coupons. The Department of Agriculture determines the food needs for each household, based on income and family size, and also determines the amount of coupons to be purchased based on the criteria of family income and size. Recipients purchase coupons and receive bonus coupons.

The program had reached 1.2 million persons by the end of fiscal year 1966. The first food stamp program reached peak expenditures of \$111.6 million in fiscal 1942. Expenditures under the new program for 1966 were \$70.3 million.

World War II—Present

The programs during this period conveniently fall into two groupings. One group concerns the several short-term emergency relief programs for refugees and repatriates established during the war and afterwards, including the currently operating Cuban refugee program. The other group concerns three programs established under the Economic Opportunity Act of 1964—Job Corps, Neighborhood Youth Corps, and work experience.

War assistance program.—Between fiscal years 1943 and 1946, the Social Security Board administered Federal funds for two war emergency assistance programs, a civilian war assistance program, and a program of assistance to enemy aliens.

The civilian war assistance program provided aid chiefly to shipwrecked persons and their dependents and to repatriates to the United States. Civilians evacuated from Alaska and Hawaii also received assistance. Expenditures were \$200,000 in 1943 and \$1 million in the last year of operation, 1946.

Assistance to enemy aliens was designed to aid persons and families in need who were interned, moved to war relocation centers, or excluded from prohibited areas. Expenditures were \$200,000 in fiscal year 1943 and \$900,000 in 1946, the last year of operation of the program.

Assistance for repatriated United States nationals.—An amendment to the Social Security Act in 1962 authorized temporary assistance to United States nationals and their dependents who return to the United States due to destitution, illness, or international crises and who are in need. The expenditures under the program, which is administered by the Welfare Administration, are very small and between 100 and 200 persons are aided each year. Expenditures under this program were \$477,000 in fiscal year 1962 and \$343,000 in 1966.

Cuban refugee program.—A program to assist refugees from Cuba was established by the President of the United States in 1961. Initially, funds were allocated under the Mutual Security Act of 1954 and the Foreign Assistance Act of 1961. In June 1962, a full program of assistance to Cuban refugees was made available under the Migration and Refugee Assistance Act.

Under the Cuban refugee program, the Federal Government provides funds to public and private welfare agencies for welfare assistance and services, resettlement, education, and health services to refugees. The expenditures included here under "Other public aid" are the welfare assistance payments to meet the basic maintenance requirements of needy Cuban refugees, including services for care of Cuban children who reach the United States unaccompanied by

parents or close relatives. Expenditures for resettlement, education, and health services are reported in other categories in the social welfare expenditure series.

The Welfare Administration of the Department of Health, Education, and Welfare is responsible for the operation of the program. Expenditures rose from \$2.5 million in fiscal year 1961 to \$19.7 million in 1966.

Economic Opportunity Act programs.—In 1964, after a lapse of 20 years, work-relief programs and work experience and training programs were reinstated to reach some of the 34 million people still living in poverty. The Economic Opportunity Act of 1964 established almost a dozen programs, dealing with various aspects of the poverty problem. Those programs dealing with specific educational aspects such as "work-study," "adult basic education," and "Head Start" are included in the series under the component, "Education." Other programs which provide a wide range of services, such as the community action program, Volunteers in Service to America (VISTA), and the migrant farm worker program, have been combined in a category, "Special OEO programs" under the component, "Other social welfare."

The three programs included in this section have as their main emphasis the improvement of the employability of needy persons through work-experience and training programs, and the creation of job opportunities.

Job Corps.—The Job Corps provides education, vocational training, and useful work experience for youths, both boys and girls, between the ages of 16 and 21 in residential centers away from home. The youths must be out of work and out of school and come from a deprived environment. The Department of Labor, through the State employment services, handles the initial screening of applicants.

The Job Corps has both rural and urban facilities. The rural conservation facilities are managed by the Departments of the Interior and Agriculture and through contracts with State governments. The urban centers are operated under contract with industrial organizations, universities and other non-profit organizations.

The program in the conservation centers is divided between education and work. The educational component consists of the development of basic skills, and vocational training. The work experience provided includes forest fire fighting, clearing and landscaping land, and construction projects. The program of the urban centers provides vocational training, basic education and work training.

Enrollees in the Job Corps receive a living allowance of \$30 per month. There are certain incentive increases, as well as a readjustment allowance of \$50 for each month of participation. The Job Corps is an entirely federally supported and supervised operation.

The Job Corps is similar in intent and structure to the Civilian Conservation Corps, but where the CCC was designed to aid youth during a period of depression, the Job Corps is designed to reach the undereducated, undertrained, deprived youth in the pockets of poverty during a period of general prosperity.

Neighborhood Youth Corps.—This work training program is designed to assist needy youths aged 16-21 to find full-time or part-time work in their own communities, and combines education as well as training and work experience. Work training programs are developed for youths who need funds in order to continue or resume their education, or who need work experience to qualify them for full-time employment. Youths also receive counseling and related services designed to increase their employability.

NYC projects fall into two basic categories: programs for students in school, and programs for unemployed youths who are out of school, often dropouts. Sponsors of NYC programs must be either State or local government instrumentalities or private nonprofit organizations.

The work performed is in the field of community service, including such activities as assisting in schools, hospitals, playgrounds, parks, settlement houses, old-age homes, and residences for homeless children.

The Federal Government provides funds up to 90 percent of the cost incurred by local project sponsors. The Department of Labor administers the program. Work in the in-school program is limited to 15 hours a week for full-

time students and to 20 hours a week for part-time students. In the out-of-school program, the limitation is 32 hours a week.

Work-experience program.—The work-experience program provides work and training programs for unemployed parents of dependent children and for other needy persons, to help them become self-supporting. Up to 100 percent Federal financing is provided public welfare agencies or other local sponsors of State or local projects. The projects are intended eventually to integrate with the regular State and local public assistance programs. The training provided as an integral part of the program includes adult basic education, vocational instruction and on-the-job experience. In addition to the work training experience provided, family social services and counseling are also part of the program. Persons participating in the program are paid assistance at 100 percent of need, determined by State standards and supplementary assistance to cover transportation, lunches, books, and work clothing.

The Bureau of Family Services of the Welfare Administration has the responsibility for program administration and provides financial assistance to States for the establishment and operation of work-experience and training projects.

NATURE OF EXPENDITURES

Expenditures for "Other public aid" include money payments or cash grants to recipients of emergency or direct relief, wages paid under work-relief programs, and assistance in kind under the surplus commodity and food stamp programs. Also included are the costs of training associated with work-relief programs and the ancillary social and medical services. Data on administrative expenses for most programs are not available separately, and are included with the totals.

1929-1932

The expenditures included prior to 1933 are State and local government expenditures for work-relief projects (work tests required of recipients of direct relief). Administrative expenses are excluded because they are not available.

1932-1935

Reconstruction Finance Corporation.—The expenditures shown include loans and grants made to States and localities by the Reconstruction Finance Corporation. Although the social welfare series excludes loans, the loans under RFC, in effect, became grants after legislation removed the repayment requirement and are treated as grants in the series. Administrative expenses are included in the data. All expenditures under the Reconstruction Finance Corporation program were from Federal funds.

Civilian Conservation Corps.—The totals shown for the Civilian Conservation Corps include Federal expenditures for cash payments and medical services provided enrollees of the program, and training and administrative costs.

Federal Emergency Relief Administration.—The expenditures under the FERA programs include the expenditures of the Federal Government for grants to the States and localities for work relief and direct relief and for the rural rehabilitation, transient relief, and student and teacher-aid programs.

The amount of State and local matching of the Federal grants for relief are included in the section, "Public assistance." Although, theoretically, these expenditures should be included as "Other public aid," the expenditures by States and localities to match Federal funds under the FERA programs are not separable from State and local expenditures for general assistance.

Expenditures under the FERA for surplus commodities are not included with FERA expenditures but are shown in the separate category, surplus commodities.

The data on the Federal Emergency Relief Administration include administrative and program expenses. Expenditure data are shown through 1940 although all new obligation authority ceased earlier.

Civil Works Administration.—Civil Works Administration expenditures include Federal, State, and local funds for wages paid, non-labor costs, and the administrative expenses of the program. The program was in operation for 4 months but the obligations incurred

were not completely liquidated until 1940, and data are therefore shown until they ended.

1935—World War II

Resettlement Administration.—Expenditures for the Resettlement Administration are shown as Farm Security Administration expenditures from 1936 until the end of the program in 1946. The data refer to the direct grants and subsistence payments to farmers, and exclude other related FSA programs such as migratory labor camps, farm debt adjustment, and rehabilitation loans. Administrative expenses (including those for the loan program) are included for fiscal years 1936 through 1941. Thereafter, data exclude all administrative expenses.

Expenditures for aid to farm families are included with the data for the FERA until fiscal year 1936.

Work Projects Administration.—The Work Projects Administration expenditures shown in the series are outlays from Federal, State, and local funds for wages paid and non-labor costs under the work-relief program and for administration. For the fiscal years 1936-40, the administrative expenses of the National Youth Administration are not separable from the WPA administrative expenses and are therefore included with the WPA data.

National Youth Administration.—The data shown for the National Youth Administration programs include the expenditures from Federal funds for the student aid program and the expenditures from Federal, State, and local funds for the out-of-school work programs. As noted above, the administrative costs are included with the WPA figures for the years 1936-40. The data shown are essentially for the wages paid to youths under the two NYA programs and include the youth work defense training program.

Surplus commodities and food stamps.—Expenditures for surplus commodities represent the cost to the Federal Government of the commodities provided to needy individuals and families, in addition to warehousing, transportation, processing, repackaging and miscellaneous handling charges. The value of commodities distributed to institutions and for

school meals appears in the section of the social welfare series, "Other social welfare." The expenditures shown for the food stamp program include program and administrative costs.

World War II—Present

Programs for refugees and repatriates.—The data shown for assistance to refugees and repatriates under the World War II assistance programs include program and administrative expenditures.

Assistance for repatriated United States nationals includes expenditures for hospitalization of mentally ill persons as well as services for these persons and others who return to this country because of destitution, illness, or international crisis. The distribution between medical and nonmedical expenditures is not readily ascertainable.

Expenditures shown for the Cuban refugee program are limited to those for welfare assistance and services. Expenditures under this program for resettlement, education, and health services are reported respectively in the "Other social welfare," "Education," and "Health and medical programs" components of the social welfare expenditure series. Separate administrative expenses for the various components are not available. Therefore, all administrative expenses for the entire Cuban refugee program are included with the welfare assistance and services expenditures.

Economic opportunity programs.—The data shown for the Job Corps, Neighborhood Youth Corps, and work-experience programs include payments for assistance, wages, medical care, training, and administration. The series does not include any amounts for State and local government expenditures, because of the difficulty of separating such data from volunteer services and the expenditures of private non-profit organizations under those antipoverty programs that require non-Federal contributions. To some extent, State and local expenditures for the antipoverty programs may be picked up in the Bureau of the Census annual series on *Governmental Finances* and thus appear in the social welfare expenditure series under such categories as "Other social welfare: Institutional care" and "Health and medical pro-

grams: Other public health activities." It is also possible that some of the State and local expenditure data reported under the "Education" category include some antipoverty program data.

SOURCES OF DATA AND LIMITATIONS

The data on work relief prior to 1932 are based on fragmentary data for 120 urban areas. Data for only one-half year were available for 1929, but were adjusted to reflect a full year.

The source of the base data was Emma A. Winslow, *Trends in Different Types of Public and Private Relief in Urban Areas, 1929-1935*, U.S. Children's Bureau, Publication No. 237, 1937, pages 69-71. These data were inflated on the basis of the information given that the sample constituted 59 percent of the urban population. No data were available for the rural population. However, prior to FERA there was very little work relief in rural areas.

The method of inflation was rather primitive. With the lack of information on the incidence of work relief in different parts of the country in the rural areas for the early depression years, data shown in the social welfare series therefore are valid only as the indication of a trend toward work-relief programs.

Emergency relief and work relief, 1932-40.—The source of all data on emergency and work-relief programs other than the surplus commodity programs is *Security, Work, and Relief Policies*, Report of the Committee on Long-Range Work and Relief Policies to the National Resources Planning Board, 1942, appendix 19, pages 598-601.

Emergency relief and work relief, 1941-47.—Federal expenditures under WPA, NYA, CCC, and FSA programs from fiscal year 1941 to the liquidation of the programs are from the *United States Budget*. State and local expenditures are from the reports of the Federal administrative agencies.

Surplus commodities and food stamps, 1935 to date.—All data for the surplus commodity program for fiscal years 1936 to the present are from the U.S. Department of Agriculture, Consumer and Marketing Service (formerly the Agricultural Marketing Service). Data for 1934

and 1935 are from the Report of the National Resources Planning Board.

For the opening years of the "section 32" program, fiscal years 1936 through 1940, separate financial data on the value distributed to institutions and to individuals are not available, although the total dollar value distributed and that of the school distribution is reported. Separate data are available on total quantity distributed (millions of pounds) and the amount distributed to each of the three categories. Based on the ratio to the total distribution of the quantities given to schools, to institutions, and to needy persons, it has been possible to split the combined dollar value of the institutional and individual distribution. The resulting values for the series 1936 through 1940 seem to link appropriately into the beginning few years of the post-1940 data, which list separate dollar values of the commodities given to each group in each year.

Expenditures data for the first food stamp program, 1939 to 1943, were obtained from the Agricultural Marketing Service of the Department of Agriculture. Data for the second food stamp program, 1962 to the present, were obtained from the Consumer and Marketing Service of the Department of Agriculture.

War assistance.—The data shown for the two programs were obtained from the annual editions of the *Social Security Yearbook*, 1943-47. Since the programs were administered by the Social Security Board, the data were from the original source.

Assistance to repatriates.—The data for the program from 1962 on are from the *United States Budget*.

Cuban refugees.—Detailed data were obtained from the Welfare Administration of the Department of Health, Education, and Welfare and from the *U.S. Budget Appendix*.

Economic opportunity programs.—The data are from the *U.S. Budget Appendix* and represent expenditures incurred.

There are three basic limitations in the expenditures presented in the series. The first applies to the variations in the sources and bases of the data, the second to the inconsistency in the reporting of administrative costs, and the third to the lack of data on State and local matching under FERA.

The sources of data are primarily from the *U.S. Budget*. However, for some sources, the data come from agency reports as well as from the *Budget*. There is no way of determining at this point whether the expenditures data from the agency reports are comparable to the data from the *Budget*. It is also quite possible that the data vary from agency to agency, and that in some cases they reflect obligations as well as expenditures, particularly for the earlier years. Some of the data from the *Budget* are obligations figures rather than expenditures figures. In continuing programs, the obligations eventually equal the expenditures.

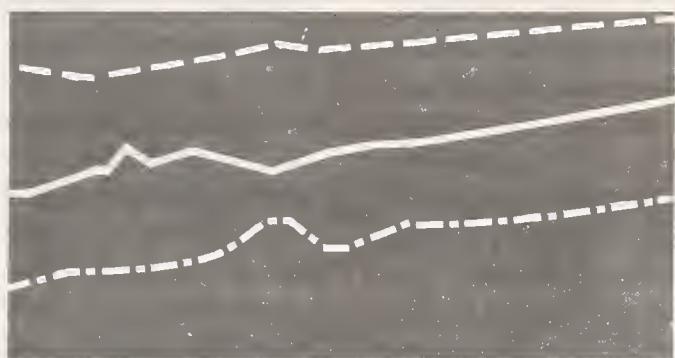
Separate data on administrative costs are not available for most programs and, in most cases, the program totals include administrative costs. Administrative expenditures are not included for the program of assistance for repatriated United States nationals. Administrative expenses of the National Youth Administration are included with the data for the Work Projects Administration for the years before 1941.

The State and local expenditures that matched the FERA grants to the States for emergency and work relief are not separable from the data on general assistance and have been included with the data shown in the "Public assistance" category. The "Other public aid" estimates therefore are understated for the years 1933-40.



Chapter 3

HEALTH AND MEDICAL PROGRAMS



PREVIEW

BETWEEN 1929 and 1966, public expenditures for health and medical programs, as defined here, grew by 19 times. Federal, State, and local outlays for these programs, which amounted to only \$351 million in fiscal year 1929, had reached \$7.2 billion a year by 1966.

Sparking this growth has been the tremendous expansion of the Federal sector, which accounted for 47 percent of the total 1966 expenditures, compared with 13 percent in 1929. The impact has been most pronounced in Federal expenditures for

—hospital and medical care, which rose from \$38 million in 1929 to \$1.5 billion in 1966.

—public health activities, which increased from less than \$7 million in 1929 to \$229 million in 1966.

—medical research and construction, which rose from almost negligible totals in 1929 to \$1.2 billion and \$309 million, respectively, in 1966.

State and local expenditures, though not matching the 70-fold Federal increase, also reflected the overwhelming public commitment to health. State and local governments boosted outlays for hospital and medical care from \$109 million in 1929 to \$2.6 billion in 1966. Concern

over maternal and child health care prompted a 33-fold increase in public outlays for programs in this field. Significant expansions in expenditures for public health activities and construction of medical facilities also took place.

NATURE OF THE SERIES

The tables in Part III contain data on all those public efforts where the primary focus is the prevention, cure, and treatment of illness and the protection of health. By definition this includes institutional and ambulatory health care; public health programs of disease prevention, environmental control, and community health services; medical and health-related research; and the construction of medical and health facilities.

In the chapter that follows, these programs are discussed in the following order:

Hospital and medical care, civilian programs: Expenditures for hospital and medical care provided or paid for by Federal, State and local governments in publicly and privately owned facilities.

Hospital and medical care, Defense Department: Expenditures of the Department of Defense for the care of the military and their dependents.

Maternal and child health programs: Federal, State, and local expenditures for maternal and child health and crippled children's services and related activities.

Medical research: Expenditures of Federal, State, and local governments for medical and health-related research.

School health services: Expenditures by State and local departments of education for school health services.

Other public health activities: Federal, State, and local expenditures for community and environmental health activities and related services.

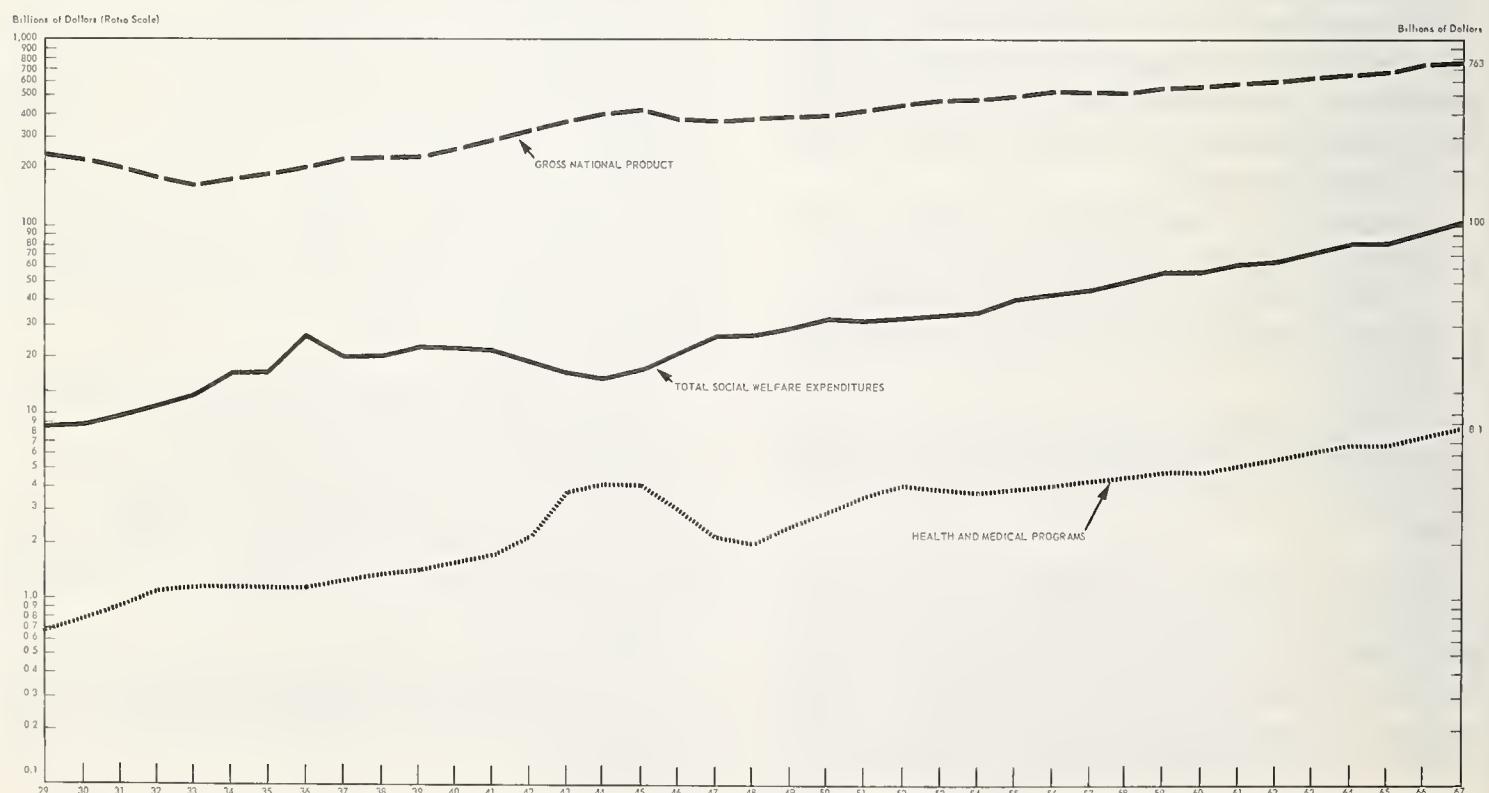
Medical-facilities construction: Federal, State, and local expenditures for the construction of medical facilities, including hospitals, clinics, research and other facilities.

In addition to the programs included here as "Health and medical programs," there are health and medical expenditures under other social welfare programs. In the social welfare expenditure series, the primary basis of classification used is the major focus of the program through which the expenditures are made.

Where health services are provided incident to other social welfare programs, or are part of social security and related programs whose primary focus is income support, the health and medical expenditures are included in total expenditures for these programs, although also shown separately as a subcategory of the general program. This is the treatment accorded expenditures for health and medical care provided individuals under OASDHI, railroad retirement, workmen's compensation, temporary disability insurance, public assistance, vocational rehabilitation, and veterans' programs.

All identifiable health expenditures under public programs are brought together in a special table, table 3-13, as has been done for many years in the annual *Bulletin* series. This table combines the expenditures of programs under the category, "Health and medical programs," and the health expenditures under social insurance, public aid, and veterans' programs. The table also includes as a separate category, medical and health-related expenditures under the antipoverty programs. These expenditures are not readily allocable among

Chart 13.—Gross national product, total social welfare expenditures, and expenditures for health and medical programs, in constant 1967 dollars, 1929-67



the various antipoverty programs, and therefore are not shown except as a total.

A few social welfare programs have had or currently have some medical benefits commingled with general program expenditures and no attempt has been made to isolate the medical portion of these programs. An example is the medical benefits provided under the Civilian Conservation Corps and other emergency relief legislation of the 1930s. For these programs, the medical benefits appear as part of the totals under the category in which the program is classified.

Certain health expenditures that are subordinate to other programs not classified as social welfare programs have also been omitted. These expenditures are often relatively small, difficult to identify, and are intermingled with the general program expenditures. For example, the health programs of the Federal Aviation Agency, the Bureau of Mines, the Bureau of Narcotics, and the National Park Service are excluded.

With respect to medical research expenditures, included in the series are costs incurred in connection with all government programs, not just those classified as social welfare programs, largely because comprehensive data on medical research have been compiled for the entire Federal Government (and the State and local sector) by the National Institutes of Health. The convenience of using this one source for medical research data makes it desirable to use the same data and concepts employed by the data-gathering agency.

Certain other expenditures from public funds for health and medical purposes are excluded from the series for a variety of conceptual reasons. Government contributions for employee health insurance programs are excluded since the risk is underwritten by private carriers rather than the public agency and the government is acting in the capacity of an employer. In contrast, the military dependents' medical care program is included; although the program is administered by private carriers, the government is the underwriter of the risk, i.e., the carriers are reimbursed for their benefit disbursements plus a specified amount or proportion for administrative cost—the so-called "cost-plus" formula.

Certain expenditures that have overlapping health and sanitation functions are excluded. Among these are current operating expenditures, as well as construction and capital outlay costs, for water supply, waste disposal and sanitation systems. However important sanitation and a clean water supply may be for health, the provision of water and sewage services in a modern urban economy takes on much more of the character of a public utility than of a health service. However, the costs of regulatory and administrative functions in the inspection and control of such services where performed by State and local public health agencies are included in the series.

Also included in the series are certain expenditures made under community and environmental health programs (injury control, water and air pollution, and radiation control), and protective health programs (disease prevention and food and drug regulations). In one sense the inclusion of these programs is not completely consistent with the overall concept of social welfare employed in this series, since these services often are not provided directly to the individual. However, the function of health is so basic to the well-being of the individual that a case can be made for including any programs whose major focus is the improvement of health conditions in the community. Also included are medical research programs for basically the same reason.

The series includes expenditures for health in the Pacific Trust Territories, American Samoa, the Philippine Islands prior to independence, etc., in addition to the services provided overseas to the military, Foreign Service personnel, and employees of the U.S. Information Agency. International health activities, such as contributions to the World Health Organization, international malaria control programs and other health programs that are not directed specifically at American nationals overseas or for the welfare of the population in U.S.-administered territories and possessions are excluded.

Public expenditures for health and medical programs are the net expenditures by the level of government that is the original source of the funds. The health field is a mixture of public and private funds and facilities. Public health

and medical programs are financed in facilities owned and operated by governments and by private organizations. In order to obtain the net expenditures made by the particular government level, the revenues and fees that are paid for care in government facilities by private sources and other governmental jurisdictions must be subtracted. In addition, to obtain the net expenditures from State and local funds all grants-in-aid or intergovernmental revenue from the Federal Government for categorical health programs, maternal and child health programs, and public assistance vendor pay-

ments are subtracted from State and local totals and shown by the original source of funds. Loans are excluded from the series.

Administrative expenditures in this section of the monograph are not shown separately except for one or two programs. Administrative costs of operating hospitals, clinics, public health departments, research programs, etc., are integral parts of the services provided and only through elaborate cost accounting techniques could the administrative expenditures be tallied separately.

Hospital and Medical Care: Civilian Programs (Federal)

DESCRIPTION OF THE PROGRAMS AND NATURE OF EXPENDITURES

The Federal Government has directly provided hospital and medical care for specified groups of beneficiaries since 1798 when President John Adams signed into law "An Act for the relief of sick and disabled seamen." Since that time, federally sponsored and financed medical care for specified beneficiaries has been expanded to include Indians, Alaskan natives, lepers, narcotic addicts, commissioned officers of the Public Health Service and their dependents, Environmental Science Services Administration (formerly Coast and Geodetic Survey) and Coast Guard personnel and their dependents, and owners of commercial fishing boats. The Federal Government also provides medical care in Federal prisons, in-plant health services for Federal employees, medical care for certain Foreign Service employees overseas, medical care in the Ryukyu Islands, the Trust Territories, American Samoa, and the Panama Canal Zone. Support is also provided for certain medical institutions in the District of Columbia.

Expenditures in this section include outlays of Federal funds for the operation of hospitals and medical care units other than military and veterans' facilities. Also included are reimbursements to public and private hospitals for the care of Federal civilian beneficiaries. The

expenditures for hospital and medical care for veterans, the military and their dependents are included in other categories. Also excluded from the category "Hospital and medical care," where separately identifiable, are training grants and fellowships (classified under "Education") and expenditures for research and the construction of medical facilities (classified under separate headings).

The following is a list of the Federal agencies that finance the operation of hospital and medical care units included in this category, with a brief description of programs and beneficiaries.

Department of Health, Education, and Welfare

Public Health Service hospitals.—The Public Health Service currently operates 10 general hospitals, a National Leprosarium, and 150 outpatient facilities. The major beneficiary groups receiving medical care are American seamen (the largest group), commissioned corps personnel of the Public Health Service and their dependents, Bureau of Employees' Compensation cases, Environmental Science Services Administration personnel and their dependents, lepers, and narcotic addicts. Medical services are provided for Coast Guard personnel at shore stations and on vessels. Grants are also made to Hawaii to defray the cost of the care and treatment of lepers. Expenditures shown here are

net, after reimbursements from other government agencies and outside sources have been received.

St. Elizabeths Hospital.—Provides care and treatment on a direct and reimbursable basis for mentally ill residents of the District of Columbia and Federal Government beneficiaries. The expenditures shown here are the net Federal expenditures after payments made by the District of Columbia and patient revenues have been deducted.

Freedmen's Hospital.—A general and tuberculosis hospital, long affiliated with Howard University as the teaching hospital for its medical school, furnishing in-patient and out-patient services. The expenditures shown are the net Federal expenditures after patient revenue and payments from the District of Columbia have been deducted.

Indian health activities.—Includes 49 general hospitals and their out-patient clinics, and two tuberculosis sanatoria for the care of Indians and Alaskan natives. Care in other hospitals and services of private physicians are contracted for, where Indian facilities are not available.

Employee health units.—The Public Health Service operates employee health programs for Federal agencies and performs consultive and related services relative to such employee health programs.

Department of Interior

Care and custody of Alaskan insane.—Prior to Alaskan Statehood, Federal monies were expended for care and maintenance (including medical expenditures) of persons legally adjudged insane in Alaska.

Department of Defense

Panama Canal Zone.—Operates and maintains two general hospitals, out-patient clinics, a neuro-psychiatric hospital, a domiciliary hospital, and a leprosarium in the Canal Zone to provide medical care for all eligible civilian and military personnel in the Zone. Patients' fees and other revenues are deducted.

United States Soldiers' Home.—Operates a hospital as part of the Home for certain old, invalid, or disabled soldiers of the Regular

Army and airmen of the Air Force. Also includes payments to other hospitals.

Department of Justice

Federal Prison System.—Funds are allocated to the Public Health Service for the cost of medical, psychiatric, and technical services in Federal prisons.

Immigration and Naturalization Service.—Reimbursements to the Public Health Service and to other public and nonprofit hospitals for hospital and medical care of entrants to the United States.

Tennessee Valley Authority

Provides in-plant employee health services.

Department of State

Foreign Service.—Cost of medical care for members of the Foreign Service overseas.

General Services Administration

Receives an appropriation for minor-project repairs and maintenance in Public Health Service hospitals.

Other Hospital and Medical Care

Since 1929 there have been other hospital and medical expenditures under specific programs that lasted for various periods of time. These expenditures have been included in the "Miscellaneous" category.

Among these programs were Navy Department expenditures for the care of lepers in Guam, 1929 through 1943, and grants made to help territorial governments meet the cost of maintaining public hospitals and medical care facilities for the residents of the Trust Territory of the Pacific Islands, Ryukyu Islands and American Samoa from 1945 to date. Prior to 1955, Virgin Islands data were also included.

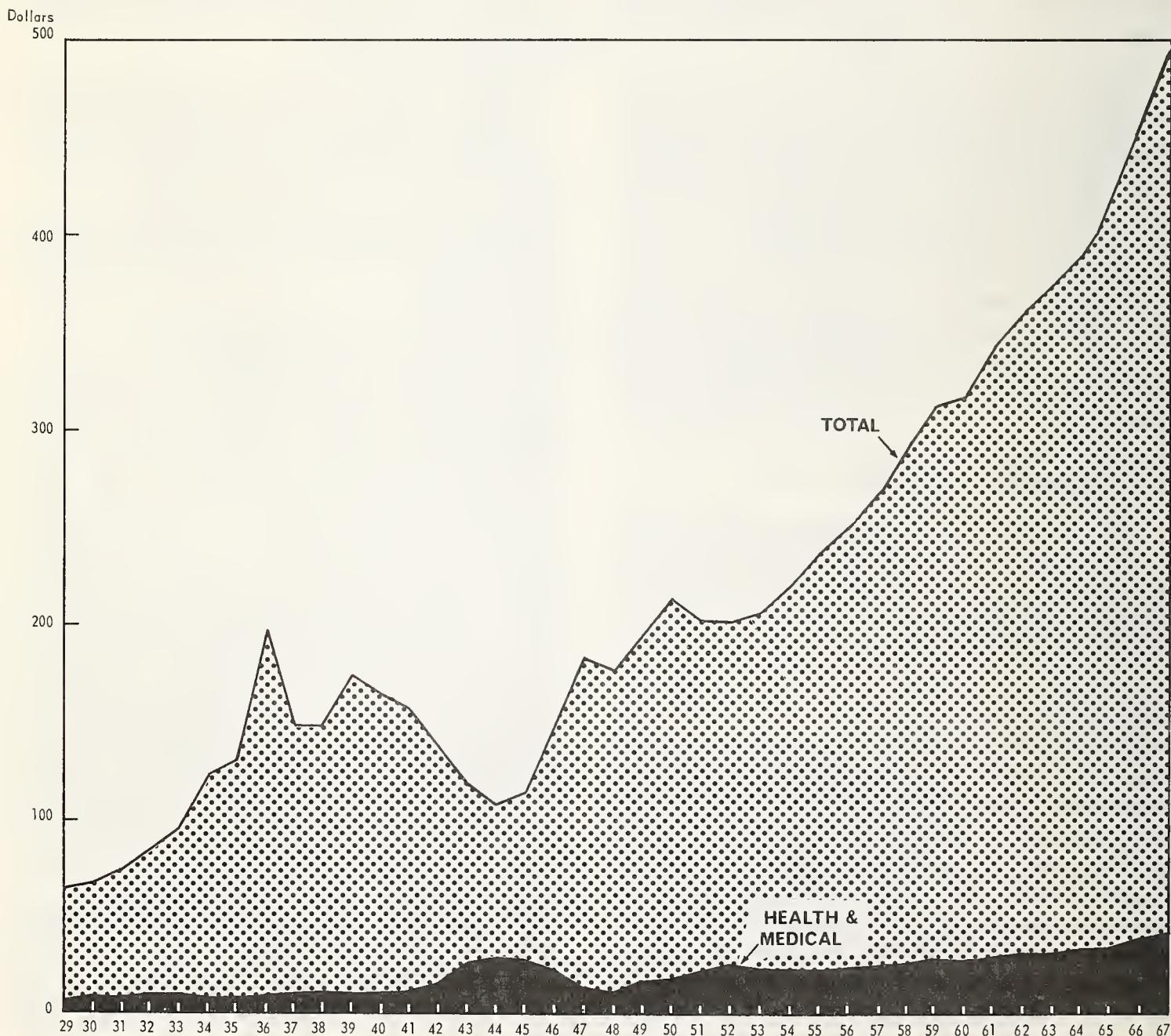
During and immediately following World War II, expenditures were also included for certain war-related activities affecting civilians. These included hospital and medical care provided through the civilian war assistance program from 1944 through 1948 for citizens of the United States and their dependents who had been interned, stranded, or evacuated from

war areas and returned to the United States. There were also expenditures for medical examinations performed by the Displaced Persons Commission from 1949 to 1955.

Federal expenditures for hospital and medical care, as defined here, increased 16-fold from 1929 to 1966 (table 3-2). For most of the period, the rise was of a gradual, steady nature with some dips in 1934, 1938, 1949, and 1955. Unusual spurts took place in 1956, largely due to expanding Indian health activities, and in 1964, due to relatively large increases in almost all programs.

The Public Health Service and Indian health activities account for the largest share of expenditures for hospital and medical care. These programs incurred three-fourths of the net expenditures of \$146.2 million in fiscal year 1966. Hospital and medical care expenditures for Indians had the most dramatic rise—from \$1.3 million in 1929 to \$52.9 million in 1966. Public Health Service hospital and clinic operations, which accounted for 65 percent of all expenditures in fiscal year 1929, comprised only 39 percent in fiscal year 1966.

Chart 14.—Per capita expenditures in constant 1967 dollars for total social welfare and health and medical programs, 1929–67



SOURCES OF DATA

The main source of data on Federal expenditures for hospital and medical care under civilian programs is the *U.S. Budget* supplemented by the *Budget Appendix*. Where the expenditures are not available in the *Budget*, the data are obtained from the agencies or records of Congressional appropriations hearings.

The definitions of current programs are, for the most part, from the 1968 *Budget Appendix*. A few of the definitions and special facts are from the *Handbook on Programs of the U.S. Department of Health, Education, and Welfare, 1964-65* edition.

METHODOLOGY

Actual Federal expenditures for hospital and medical care under civilian programs were obtained, whenever available, from the summary expenditure tables in the *U.S. Budget*—since 1961, from the *Budget* tables entitled “Analysis of new obligation authority and expenditures by agency.” For programs where the actual expenditures are not available in the “Summary” or “Analysis,” and for deducted items, the new obligation authority figures given in the *Budget* or *Budget Appendix* are used.¹ These obligation figures are shown in the supporting detail for Federal funds by agency.

Certain deductions, where applicable, have been made from the Federal expenditure data (or were already reflected in the data published) to yield a net figure for hospital and medical care. One such deduction is revenue from non-Federal sources such as patients’ fees. Another concerns expenditures for research (which appear in a separate category termed “Medical research”) and for training grants (which are included as an “Education” item).

The deductions and adjustments made for the major programs follow:

¹ New obligation authority refers to the authority granted by Congress to enable government agencies to enter into obligations representing amounts for orders placed, contracts awarded, services received, and similar transactions during a given period, regardless of when payment of money is required. Expenditures represent the amounts for checks issued and cash payments made during the period.

The base figures on salaries and expenses reported for St. Elizabeths Hospital and Public Health Service hospitals (including the Indian health hospitals) embrace research activities. To obtain a net figure, research expenditures for these hospitals as compiled by the Resources Analysis Branch, Office of Program Planning, National Institutes of Health, are deducted from the base figures. Also subtracted are training grants included under “Education.”

Patient revenues for care in Federal facilities and payments by the District of Columbia for the care of resident patients at St. Elizabeths and Freedmen’s Hospitals are deducted from the gross expenditures for the operation of the various hospitals and clinics to obtain a net expenditures figure.

Expenditures in American Samoa and the Ryukyu Islands for hospital and medical care were obtained from the Office of the Territories, Department of Interior; prior to 1962, the data included expenditures for education and other public health services. It was assumed, based on information from that Office, that one-half of the total expenditures in American Samoa, and approximately one-fourth of those in the Ryukyu Islands were for hospital and medical care of residents. After 1962 specific data on hospital and medical care are available.

Not all of the civilian programs now included under Federal expenditures for hospital and medical care date back to the earliest year in this report. In addition, many that do go back to 1929 are no longer supervised by the same department or agency. When programs were shifted to a new agency, the reporting system was often changed, complicating the methods used to derive the actual expenditure data. It was also found that the itemization of funds was not consistent. Figures that were not obtainable in early years are now identifiable; often only actual expenditures for the whole program are shown in the early *Budget*. Some small programs have therefore been omitted from the back data.²

² The programs for which back data were not available include hospital and medical care for the Foreign Service, reimbursements to the Public Health Service from the Immigration and Naturalization Service, and General Services Administration repair and improvement programs in Public Health Service hospitals.

LIMITATIONS OF THE DATA

There are two basic data limitations in this category. The first relates to the use of new obligational authority data where actual expenditures are not reported. Many of the programs, however, are on-going in nature and obligations tend to approximate expenditures over time.

The second limitation involves the necessity of estimating portions of the programs for the earlier years where the actual expenditures are not available. All such estimates were based on percentages of the specific program item to the total expenditures of the program in some year. The same percentage often had to be used for several years before there was another basis for revising the figure.

Hospital and Medical Care: Defense Department (Federal)

DESCRIPTION OF THE PROGRAMS AND NATURE OF EXPENDITURES

Hospital and medical care for military personnel have been a Federal responsibility since the 18th century. Active-duty military personnel have been provided with complete medical care incident to other necessities of life—food, shelter, and clothing. The Army, Navy, and Air Force provide preventive treatment, curative and rehabilitative services in military hospitals, outpatient clinics, dispensaries, and field and shipboard stations.

In 1965 there were 187 hospitals owned and operated by the armed services—51 Army hospitals, 37 Navy hospitals and 99 Air Force hospitals—with a total complement of 36,066 beds.³

Care of the dependents of Army personnel dates back to the 1884 Congressional Appropriations Act. Dependents were included in medical care programs largely because of the remote locations of military installations. Medical and hospital care for dependents of Navy and Marine Corps personnel were officially sanctioned by a special act of Congress, Public Law 51, 78th Congress, approved May 10, 1943.

The Dependents' Medical Care Act passed by the 84th Congress in 1956, effective December 1956, provides broad hospital and medical benefits for the dependents of military servicemen and commissioned officers of the Public Health

Service in military (on a space-available basis), Public Health Service, and civilian hospitals. Statutory entitlement for retired members of the Armed Services and their dependents was also included. Payments for authorized medical services are made to participating physicians, hospitals and other authorized civilian sources of care. Contracts exist between the government and civilian medical insurers such as Blue Cross, who handle the payment of claims and are reimbursed for expenditures plus administrative costs.

The expenditures shown in this category include the expenses of operating military hospitals, clinics and other medical facilities, the salaries of military medical personnel, payments for medical care in nonmilitary facilities and expenditures for the dependents' medical care program.

Excluded from this section but shown elsewhere are expenses for the training of military medical personnel, research, and construction of medical facilities.

As can be seen from the data presented in tables 3-3, the extent of these expenditures is directly related to wars and police actions and the corresponding increased strength of the Armed Forces and the number of casualties during these periods. Expenditures were \$29.2 million in fiscal year 1929, \$45.4 million in 1940, and \$1.6 billion in 1945. In the next 3 years, they dropped to \$245.1 million, rose again during the Korean hostilities, gradually declined until 1965, then rose again, approaching the World War II

³ Hospitals (journal of the American Hospital Association) Guide Issue, part 2 (vol. 40, August 1, 1966) page 442.

peak in 1966. In all probability, the current hostilities in Viet Nam will be reflected in greatly increased medical expenditures.

SOURCES OF DATA AND LIMITATIONS

Expenditures by the Department of Defense for hospital and medical care consist primarily of two items: (1) the cost of maintaining and operating military medical facilities; and (2) the pay and allowances of military personnel engaged in medical and health activities.

(1) Data on the maintenance and operation of military medical facilities from 1959 to date are taken from the published Department of Defense annual appropriation hearings before the Subcommittee of the Committee on Appropriations, House of Representatives. Each of the three armed services presents a detailed breakdown of the medical components (not available in the *U.S. Budget Appendix*) that make up the direct obligations. Two of the components—medical training and care of the dead, where separable—are excluded from the totals.

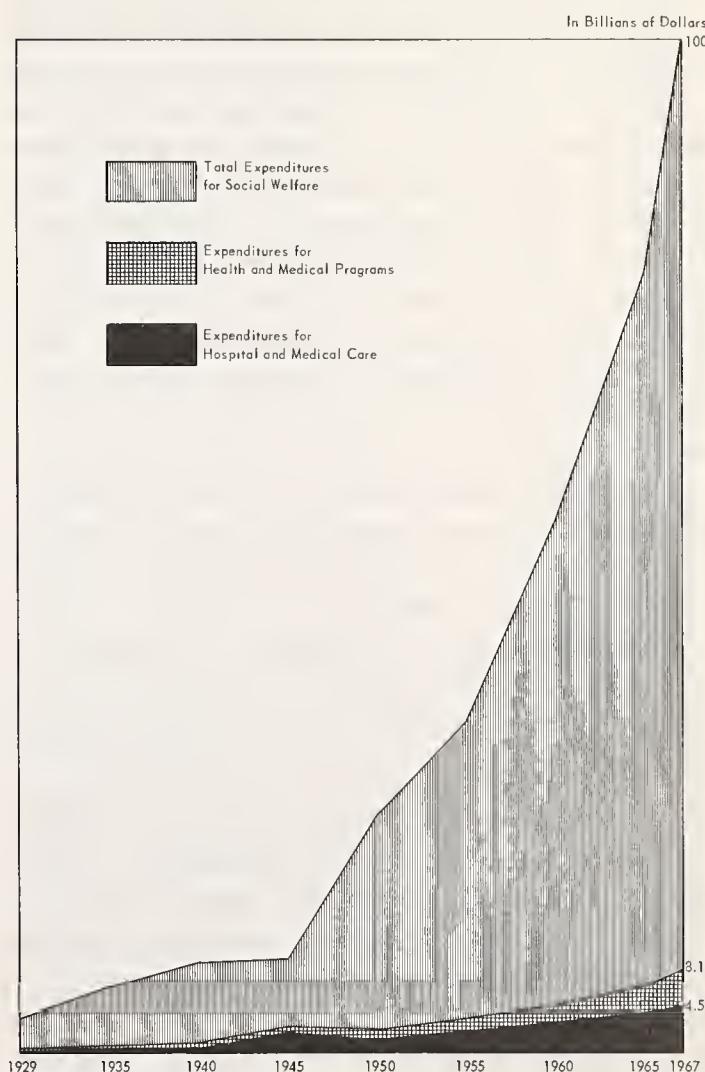
For the years prior to 1959, a variety of sources is used. For the Department of Navy, the source of data from 1929 to 1958 is the United States Treasury, *Combined Statement of Receipts, Expenditures, and Balances of the U.S. Government* for each fiscal year. The data refer to the net expenditures of the Medical Department of the Navy (excluding care of the dead) and salaries of personnel in the Bureau of Medicine and Surgery. For the years prior to 1944, they include the net expenditures of the naval hospital fund. For the Department of the Army, the data through fiscal year 1950 represent net expenditures from the above-mentioned source, and from 1951 through 1958, direct obligations from the *U.S. Budget* for "Medical care," Department of the Army, and salaries of personnel in the Office of the Surgeon General. For the Air Force, the data from 1950 (when a separate Department was first organized) through 1958 represent direct obligations for medical support taken from the *U.S. Budget*.

(2) Data on the pay and allowances of military medical personnel are obtained directly each year from each of the armed services. These are added to the data on operations and

maintenance of medical facilities to give the totals listed under the specific armed service categories shown in table 3-3. These totals include medical care of dependents of military personnel. A comparable figure for dependents of the commissioned officers' corps of the Public Health Service is also added. The historical data on dependents' medical care expenditures are taken from U.S. House of Representatives, Hearings before Subcommittee of the Committee on Appropriations, *Department of Defense Appropriations for 1966, Part 2, Operation and Maintenance*, 89th Congress, First Session, page 144, and subsequent annual hearings.

The totals obtained include obligations for medical research that are reported elsewhere in a special category under the social welfare

Chart 15.—Growth in aggregate dollar amounts of expenditures for total social welfare, health and medical programs, and hospital and medical care, 1929–67



expenditure series. To avoid duplication, medical research data for the Department of Defense are subtracted. The data on medical research come from the National Institutes of Health, *Resources for Medical Research*, Report No. 4 (pages 36-37), Report No. 5 (page 21), and unpublished material from the Resources Analysis Branch, Office of Program Planning, National Institutes of Health.

Amounts expended for dependents' medical

care are shown separately, as well as included in the totals.

The basic limitation of the data is the use of obligations data for the health and medical care services directly provided by the Armed Forces and for research, and the use of expenditures data for the dependents' medical care program. Over time, in a continuing program, expenditures and obligations tend to equalize.

Hospital and Medical Care: Civilian Programs (State and Local)

DESCRIPTION OF THE PROGRAM AND NATURE OF EXPENDITURES

State, local, and county governments provide hospital and medical care for their residents through the operation and maintenance of owned facilities and by payment to or for the support of nongovernment (voluntary and proprietary) facilities. State and local governments own and operate long- and short-term general, psychiatric, and tuberculosis hospitals, which provide inpatient and outpatient care. In 1965, of all the accredited facilities in the United States, State and local hospitals accounted for 89 percent of the tuberculosis hospital beds, 88 percent of the psychiatric hospital beds, and 26 percent of the general hospital beds.⁴

Psychiatric and tuberculosis care traditionally has been considered a government responsibility. Since the beginning of this century, State and local governments have placed growing emphasis on providing general hospital and medical care for indigent and medically indigent residents, as well as for psychiatric and tuberculosis care.

The category of State and local hospital and medical care includes all expenditures from State and local funds for the operation of hospital and medical facilities, including the sup-

port of nongovernment facilities.⁵

These expenditures exclude those for capital outlay shown elsewhere under "Medical-facilities construction." Also excluded are State and local expenditures for hospital care for specific programs reported elsewhere in the social welfare expenditure series—maternal and child health, public assistance vendor hospital care, and vocational rehabilitation.

Expenditures from State and local funds for hospital and medical care, as defined above, have increased from \$109 million in fiscal year 1929 to \$2.6 billion in 1966.

SOURCES OF THE DATA AND METHODS OF ESTIMATION

The base figures used in calculating State and local expenditures for hospital and medical care are from the Bureau of the Census publications: (1) *Historical Statistics on Governmental Finances and Employment, Census of Governments: 1962*, and (2) annual editions of *Governmental Finances* (formerly titled *Summary of Governmental Finances*). Data for fiscal year 1930 and for the odd-numbered years prior to 1952 are interpolated from the data for adjacent years. Data refer to the 48 States and the District of Columbia prior to 1959,

⁴ For 1955 and prior years, payments to private hospitals are understated, since source of data (Census publications) classified payments as "Health expenditures."

⁴ *Loc. cit.*

include Alaska in 1959 and Hawaii in 1960, and since 1960 refer to the 50 States and the District of Columbia.

The Census figures include expenditures for capital outlay and money received as fees and charges in State and local hospitals. Since the figures desired in the series for the category of hospital and medical care are the net expenditures from State and local funds for services, both capital outlay and revenues from fees and charges must be deducted.

The methodology for making the necessary deductions from the base figures is as follows: Data on capital outlay were obtained from the Census publications cited above. The data represented a combined total for health and hospitals. On the basis of more detailed information found in the Census publication, *Compendium of State Government Finances*, it was estimated that approximately 97 percent of the combined amount was for hospitals.

For the period prior to 1952, capital outlay data are not available. Instead, a series on State and local hospital-construction expenditures as shown in table 3-12 of this monograph was used. Thus, expenditures for capital outlay for hospitals for 1952 to the present, and expenditures for hospital construction prior to 1952, were deducted from the base figures for hospital and medical care.

With respect to the deduction of revenues, the annual Census publications report State and local revenues from charges and fees in public hospitals as a separate item, from 1952 to the present. These charges were deducted from the base data. Prior to 1952, the annual Census publications do not report these revenues as a separate item. Only an undifferentiated amount was reported for all revenues from charges for all purposes. For the years 1952-62, revenues from charges in State and local hospitals represent 10 percent of all State and local revenues from charges. Ten percent of all revenues from charges therefore have been deducted for all years prior to 1952.

The Census figures also include certain expenditures that are reported in other categories of the social welfare expenditure series—for example, hospital care expenditures under maternal and child health and crippled children's programs, and vocational rehabilitation. It is

estimated that approximately 10 percent of the payments for hospital care under these programs are for care of patients in State and local facilities. Ten percent of the vendor payments for hospital care under these programs therefore were deducted from the base figures. The total amount of these deductions was very small. The data on vendor hospital payments for the maternal and child health and crippled children's programs were obtained from the Children's Bureau and the data on vocational rehabilitation from the Office of Vocational Rehabilitation.

Since 1951 the Census figures have also included public assistance vendor payments for hospital care to the extent that such payments were made to hospitals administered by the same government unit. In addition, from 1956 through 1959, the Census data included all vendor payments to public and private hospitals under the public assistance programs. For these years, therefore, all public assistance vendor payments for hospital care, as reported by the Bureau of Family Services, Welfare Administration, were deducted from the Census series to obtain a net figure. For the other years, estimates were required in order to obtain distribution of public assistance vendor payments between State and local government hospitals and nongovernment hospitals, since no exact data were available for the country as a whole. There is some indication that about one-half of these vendor payments were made to State and local hospitals. Fifty percent of the vendor payments for hospital care, as reported by the Bureau of Family Services, therefore have been deducted from the base data for the years 1951-55 and 1960 to date.

LIMITATIONS OF THE DATA

The primary limitation in the current methodology is the means of arriving at the rough estimates of the proportion of public assistance, maternal and child health, and vocational rehabilitation vendor payments for hospital care that are made to State and local public hospitals.

The sources of data for construction and capital outlay are not quite comparable, since capital outlay includes land acquisition and

equipment. For the years prior to 1952, when construction rather than capital outlay estimates were used, the deductions were probably understated.

Another limitation concerns only the years prior to 1956. Until that year State and local expenditures for the support of private hospitals were classified by the Census Bureau under health expenditures and were not available as a separate item. For 1956 and all later years,

these expenditures have been included with hospital expenditures. There is no way of adjusting back data to compensate for this change.

Revenue from charges of State and local hospitals prior to 1952 were estimated as a fixed percentage of all State and local revenue from charges, since such data were not available. This affects only back data, since figures on State and local revenue from hospital charges have been available from 1952 to the present.

Programs for Maternal and Child Health (Federal, State, and Local)

DESCRIPTION OF THE PROGRAMS

Programs for maternal and child health at the Federal level were established under Title V of the Social Security Act. They are designed to encourage, extend, and improve health services for mothers and children, especially in rural areas and in areas suffering from severe economic distress.

Under the maternal and child health program, Federal grants are used by State health agencies to provide maternity clinics for prenatal and postnatal care, well-child and pediatric clinics, inpatient hospital services, health services for school children, dental care, and immunization.

Under the crippled children's program, Federal grants are used by State health and crippled children's agencies to locate crippled children; to provide medical, surgical, corrective and other services and care for children with various kinds of crippling conditions; and to provide facilities for diagnosis, hospitalization, and after-care for these children.

Special project grants are authorized for projects that may contribute to the advancement of maternal and child health and crippled children's services, and for projects to provide clinical services for mentally retarded children.

Also available are special maternity and infant care projects. These offer comprehensive health services and medical care to high risk prospective mothers, and, after childbirth, to mothers and their infants. Services are con-

centrated in areas with low-income families in order to help reduce the incidence of mental retardation associated with complications of pregnancy. Also authorized are special project grants to provide comprehensive health care and services for children of school age or for preschool children, particularly in areas with concentrations of low-income families.

Grants are also provided for research projects conducted by public and other nonprofit institutions and for the training of professional personnel in the care of crippled children.

Federal matching funds to States and localities in the form of formula and project grants for the promotion of health services of mothers and children were first authorized under the Social Security Act, passed in 1935. Prior to the passage of this Act, Federal funds were available under the Maternity and Infancy Act of 1921 (Sheppard-Towner Act), but the program was allowed to expire at the end of fiscal year 1929.

All 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam participate in the two grant programs for maternal and child health and crippled children's services. By 1975 these services must be available to children in all parts of the 50 States.

One-half of the Federal grant funds for maternal and child health and crippled children's services among the States are apportioned according to formulas that take into account the relationship of live births or

children under age 21 in each State to the total in the United States. The States must match these funds dollar for dollar. The remaining one-half is distributed without matching requirements according to State financial need, after specified amounts and percentages for special projects have been deducted.

The Children's Bureau of the Welfare Administration, Department of Health, Education, and Welfare, is responsible for administering the Federal grant programs. In addition to developing policies, setting standards, and reviewing and approving State plans, the Bureau offers technical assistance to State and local agencies and organizations, both public and voluntary, in setting up, carrying out, and improving individual programs.

NATURE OF EXPENDITURES

The data for this category include Federal, State and local expenditures for maternal and child health and crippled children's services under Title V of the Social Security Act. Data since 1954 include expenditures of State and local governments that were in excess of those required by law to match Federal grants.

The table also includes \$1.2 million expended by the Federal Government in fiscal year 1929 at the tail end of the Sheppard-Towner Act. There were also State and local government expenditures for these services during the years 1929-35, but precise data are not available. The Children's Bureau reported that State health departments expended \$1.2 million in 1928 and \$1.4 million in 1934 for maternal and child health services.⁶ During this period, it was also estimated that approximately \$5.5 million was disbursed annually from State and county funds for the care of crippled children.⁷ For the purpose of having benchmark data for 1929 and 1935, the table includes estimates of \$5.0 million and \$6.9 million spent for maternal and child health and crippled children's services for the 2 years, respectively, by State and local governments. No State and local estimates are given for the intervening years.

The totals in table 3-5 include expenditures, shown separately, for research programs, and special projects for maternity and infant care, and school children's health. Special grants for training personnel through educational institutions are not shown here but are included under the category, "Education."

Administrative expenditures of the Children's Bureau are included in the series and shown separately. The administrative expenditures of the State agencies are not available separately and, to the extent included, are shown with program expenditures.

The series includes expenditures made during 1943-49 under the emergency maternity and infant care program of World War II for dependents of members of the Armed Forces.

SOURCES OF DATA

All data from 1936 on, except those shown separately for medical research, were obtained from the Children's Bureau. Data on expenditures for 1936 are half-year figures and thus are smaller than those estimated in 1935. The data on medical research were obtained directly from the Resources Analysis Branch, Office of Program Planning, National Institutes of Health.

State and local program expenditures are reported to the Children's Bureau by State and local governments. For years prior to 1936 no precise data were available. Based on fragmentary reports, estimates were prepared for 1929 and 1935, but none were made for the intervening years.

Up to fiscal year 1954, the amounts by which State and local expenditures exceeded the total required by law to match Federal funds were also not available and are not included here. These excess expenditures are probably included in the estimates under State and local expenditures for other public health activities shown in table 3-9 of this monograph.

Federal expenditures in fiscal year 1929 under the Sheppard-Towner Act are taken from the *U.S. Budget*.

PROGRAM DEVELOPMENTS

Although the basic purpose of the program has remained unchanged since 1935, the annual

⁶ Committee on Economic Security, *Social Security in America*, 1937, table 57.

⁷ *Ibid.*, page 284.

amounts authorized for grants were increased in 1939, 1946, 1950, 1958, 1960, 1963, and 1965. Virtually all States have been included in the program since 1936. In 1943 the emergency maternity and infant care program was established. Under this program, the Children's Bureau made grants to State health departments to provide maternity care for wives of Armed Forces enlisted men in the four lowest pay grades and those of aviation cadets, and to provide medical, nursing, and hospital care for their infants during the first year of life. This was a medical care program of major proportions. About 1.5 million mothers and children received care at an expenditure of more than \$125 million in Federal funds from the program's inception through its liquidation in 1949.

The 1960 amendments to the Social Security Act authorized special grants to public and other nonprofit institutions of higher learning as well as to State health agencies (as was theretofore done) for projects of regional or national sig-

nificance that contribute to the advancement of services for crippled children and of maternal and child health.

The 1963 amendments to the Social Security Act authorized a new 5-year program of special maternity and infant-care grants to public health agencies for projects providing comprehensive health care to high-risk pregnant women and infants in low-income population groups. Grants, contracts, or jointly financed cooperative arrangements were also authorized for research projects contributing to the advancement of maternal and child health and crippled children's service programs.

The Social Security amendments of 1965 instituted a new 5-year program of special project grants for low-income school and preschool children, providing comprehensive health care and services, particularly in low-income areas. Also included were payments of the reasonable cost of inpatient hospital services under the State plans.

Medical Research (Federal, State and Local)

DESCRIPTION OF THE PROGRAMS AND NATURE OF EXPENDITURES

Medical research is the most rapidly growing health expenditure of the Federal Government. Although small amounts of medical research are financed by State and local governments, and somewhat larger amounts are supported by private sources, the Federal Government is currently the primary source of medical research support. Total government expenditures for medical and health-related research activities grew from \$260,000 in fiscal year 1931 to \$1.3 billion in 1966. In the latter year the Federal share totaled more than \$1.2 billion.

Medical and health-related research is defined as all systematic study directed toward the development and use of scientific knowledge through fundamental research in the laboratory, clinical investigations, clinical trials,

epidemiological studies, and engineering studies in the following areas:

1. The causes, diagnosis, treatment, control, prevention of, and rehabilitation relating to the physical and mental diseases and other killing and crippling impairments of mankind;
2. The origin, nature, and solution of health problems not identifiable in terms of disease entities;
3. Broad fields of science where the research is undertaken to obtain an understanding of processes affecting disease and human well-being;
4. Research in nutritional problems impairing, contributing to, or otherwise affecting optimum health;
5. Development of improved methods, techniques, and equipment for research, diagnosis, therapy, and rehabilitation.

Federal expenditures for medical and health-related research include funds separately budgeted for medical research and specifically identified, programmed, justified as such, and supported for the purpose of improving health. Also included are obligations for research that are directly related to health in substance or probable application but come from funds budgeted, justified, and supported for purposes other than health objectives. These include the general support of science, promotion of agriculture, and achievement of space objectives.

Included here are medical research expenditures supported by government funds whether the work is performed by a government agency, private individuals, or organizations under contract with the government.

At the Federal level, the Department of Health, Education, and Welfare—specifically the National Institutes of Health of the Public Health Service—is the largest supporter of medical research, with the Department of Defense ranking second and the Atomic Energy Commission third. The following Federal agencies share in the financing and performance of such research:

Atomic Energy Commission
Federal Aviation Agency
National Aeronautics and Space Administration
National Science Foundation
Tennessee Valley Authority
Veterans Administration
Department of Agriculture
Department of Commerce
Department of Defense
Department of Health, Education, and Welfare
Department of Interior
Department of State

Certain medical research expenditures are reported in the series as part of the total program expenditures of separately identifiable programs and are excluded from the category of medical research. These include the medical and prosthetic research of the Veterans Administration and the Vocational Rehabilitation Administration, and medical research expenditures under programs for maternal and child health.

Medical and health-related research training activities are considered in this series to be

educational expenditures and are reported in the "Education" category. Construction of medical and health research facilities are also excluded from the research category and are reported as expenditures for medical-facilities construction.

SOURCES OF DATA AND METHODOLOGY

The data on Federal, State, and local expenditures for medical and health-related research for 1947 to the present are from the series, *Resources for Medical Research*, prepared by the Resources Analysis Branch, Office of Program Planning, National Institutes of Health, and from supplementary unpublished data from the same source. The data relate to actual obligations. The definition of medical and health-related research, as used in the social welfare expenditure series for the years 1947 to the present, is that employed by the National Institutes of Health and published in *Resources for Medical Research*, Report No. 5, October 1964, page 15.

As indicated above, the data as prepared and published by the National Institutes of Health are adjusted to reflect the fact that research expenditures for maternal and child health programs, vocational rehabilitation, and the veterans' programs are reported with the total expenditures for these specific programs.

The data for the years prior to 1947 are from the *U.S. Budget* and are limited to certain Public Health Service programs that were almost exclusively devoted to medical and health-related research. These include the expenditures for the National Institutes of Health (and predecessor organizations), studies in rural sanitation (1931–36), and diseases and sanitation investigations (1933–34). For those programs in which medical research functions were combined with operating and control activities, no attempt was made (for the years prior to 1947) to segregate medical research expenditures. These programs, in their entirety, are listed elsewhere in the series.

LIMITATIONS OF THE DATA

The data from 1947 to the present, prepared and published by the National Institutes of

Health, refer to actual obligations of Federal agencies rather than to expenditures. In the field of medical research, there is probably some time lag from the grant, the negotiation of the contract, or the placement of the order to the time the checks are actually issued. However, much of the medical research program is of a continuous nature so that over time obligations tend to approximate expenditures.

Since the data prior to 1947 refer only to Public Health Service programs that were es-

sentially medical research programs, they are understated to the extent that some medical research activities are conducted by other Public Health Service programs. There is also some understatement due to the fact that prior to 1947 medical and health-related research expenditures for other agencies are not included here, such as the atomic energy, military, and Department of Agriculture research programs. Thus, the data for earlier years in this series are not comparable with the data for 1947 and later fiscal years.

School Health (State and Local)

DESCRIPTION OF THE PROGRAMS

The school health programs of educational agencies reported in this category are programs financed and administered by State and local departments of education. These programs include medical and dental screening, first aid, the salaries of school nurses and/or doctors employed by local school districts, and the expenses of health supplies. The school health services provided by public health agencies are included in the data on "Other public health activities."

SOURCES OF DATA AND METHODOLOGY

The data are from the *Biennial Survey of Education in the United States*, conducted by the Office of Education of the Department of Health, Education, and Welfare. Figures for odd-numbered years were derived by taking the average of the published data for the preceding and subsequent years. Data refer to the conterminous United States prior to 1959. For 1959 and subsequent years, data also refer to Alaska and Hawaii.

Other Public Health Activities (Federal)

DESCRIPTION OF THE PROGRAMS AND NATURE OF EXPENDITURES

Federal expenditures for other public health activities include a wide variety of community, environmental, and protective health services for the civilian population and for certain specified beneficiaries, provided either directly or through grants-in-aid to States and localities. Excluded from the category are expenditures for research, and the construction of public health facilities that are included in separate categories. Also excluded are expenditures for training and fellowships that are included with educational expenses in this series.

The programs included embrace almost every program administered by the Public Health Service, United States Department of Health, Education, and Welfare, that is directed at providing community, environmental, and protective health services. A few such programs administered by the National Institutes of Health have not been included because of the difficulty of segregating the data on a consistent basis over the years.

For public health programs administered by agencies other than the Public Health Service, the series has been limited to major programs that clearly provide community and protective

health services. Certain medical programs that are subsidiary to programs with nonmedical objectives have been excluded. These include the medical program of the Federal Aviation Agency, the health and safety program of the Bureau of Mines, the safety and accident-prevention programs of the Department of Labor and other agencies.

To indicate the scope of services and the programs included, the following subsection lists, by agency, the programs financed by the Federal Government, and gives a brief description of each program:

Public Health Service, Department of Health, Education, and Welfare

1. Disease Prevention

Communicable diseases.—Grants to the States and to communities to carry out immunization programs against poliomyelitis, diphtheria, whooping cough, tetanus, and measles.

Control of venereal diseases.—Assistance to States and other public agencies for programs to control venereal diseases.

Foreign quarantine activities.—Examinations of aliens and visa applicants in order to exclude those who do not physically or mentally qualify for admittance into the United States. Other inspections are made to prevent the introduction into the United States of quarantinable and other communicable diseases.

Control of tuberculosis.—Grants to the States to assist in maintaining basic tuberculosis prevention and casefinding services and in planning and administering projects in tuberculosis control.

2. Office of the Surgeon General, Salaries and Expenses

This office is responsible for the formulation of Public Health Service policy. It deals with the problems surrounding the delivery of health services in the Nation, measures the available facilities, health personnel, and organization of service, and disseminates health information in foreign countries through exhibits and other ap-

propriate means.

Indian health field services.—Programs in sanitation, health education, maternal and child health, school health, tuberculosis and communicable disease control, etc., provided through health centers, clinics and field stations, and contracts with State and local health departments, for Indians and Alaskan natives.

Indian health administration.—Administration of the total Indian health program, which also includes the operation of 49 hospitals and outpatient clinics and two tuberculosis sanitariums (see "Hospital and medical care: Civilian programs (Federal)").

3. Community Health

Grants to States.—Grants to States for general health purposes and for improvements in financing preventive, curative, and restorative health services and to provide comprehensive community health services for the total population. Included also are grants for the establishment of family health service clinics and for the improvement of services for migrants and the mentally retarded.

Dental services.—Development of methods for extending the availability of dental care to the public, studies on the status of the Nation's dental manpower supply, and studies for preventing and controlling dental diseases, including grants to States for support of dental public health activities.

Nursing services.—Services for the improvement of nursing practices of all kinds and for the study of problems related to the nurse supply.

Chronic diseases.—Grants to the States and nonprofit institutions to develop, expand, and improve programs for preventing the occurrence and increase of chronic diseases, and to make the lives of those who have chronic diseases as free of disability and impairment as possible.

Regional medical programs.—Grants to public and nonprofit private organizations and universities to conduct feasibility

studies and to operate pilot projects for improving and disseminating techniques for the diagnosis and treatment of heart disease, cancer, and related diseases, with emphasis on regional planning and coordination of medical resources.

4. Environmental Control

Injury control.—Surveillance to determine extent and cause of accidental injuries, and development of sound techniques for the prevention and control of accidents and injuries.

Water pollution.—Development of comprehensive river basin planning, development and enforcement of water quality standards, and pollution surveillance. Grants to States and interstate agencies to assist in prevention and control of water pollution. Until fiscal year 1966, water pollution control activities were part of the environmental health services of the Public Health Service. The program is now administered by Federal Water Pollution Control Administration, Department of the Interior.

Air pollution.—Investigations of the causes of air pollution and determination of the effects of air pollution on life and property. Development of effective means of prevention and control. Grants to States and localities to assist in solving air pollution problems.

Community sanitation.—Safeguards the sanitary quality of water supplies, milk, shellfish, and other foods prepared commercially; prevents and controls environmental hazards associated with urban living, transportation and industry, with particular attention given to solid waste disposal, environmental sanitation, and the special environmental problems of the Arctic region.

Occupational health.—Grants to States, local agencies, and industry for prevention and control of occupational hazards and diseases.

Radiological health.—Supports a program for the prevention and control of radiological hazards to public health, which includes assessing the level and effects of radiation exposure, and giving technical

information and assistance to States to help them develop radiation protection programs.

5. National Health Statistics

Carries out the major activities of the Public Health Service in the measurement of the health statistics of the Nation. Collects, compiles, analyzes, and disseminates statistics on vital statistics and related health data.

6. National Library of Medicine

Established in 1956 to replace the Armed Forces Medical Library. Collects and organizes the worldwide literature of medicine, and provides research and reference assistance.

7. Emergency Health Activities

Stockpiling of medical supplies and equipment, and the positioning of emergency hospitals; continuation of replacement of obsolete and deteriorated medical items in depots and prepositioned hospitals.

8. Miscellaneous

Refers primarily to a variety of short-lived programs that had separate identities during their existence. These include the emergency health relief programs, national defense health programs, public health services for the Philippine Islands, control of tropical diseases, grants to Alaska prior to Statehood, and grants to States for poliomyelitis vaccination. It also includes a few programs such as control of biologic products before they were merged with other items. Finally, it includes an item identified in the *U.S. Budget* prior to 1954 as "Pay, etc., commissioned officers" of the Public Health Service. Since 1953 the *Budget* has allocated expenditures under this item to the operating programs and the Office of the Surgeon General.

Other Agencies

1. Food and Drug Administration, Department of Health, Education, and Welfare

Sets standards and regulations for the protection of consumers against adulterated and misbranded foods, drugs, cosmetics, therapeutic devices and household products containing hazardous substances; provides

consultation and education regarding the laws as well as requiring compliance with legal action, when necessary.

2. *Panama Canal Zone, Department of Defense*

Community-wide public health services; sanitation and quarantine work in the Zone and for ships calling at its ports; inspection of food processing establishments and of facilities for animal care and quarantine.

3. *Cuban Refugee Program, Welfare Administration*

Medical screening, outpatient clinic services, and health services to new arrivals and to needy Cuban refugees.

Federal expenditures for "Other public health activities" rose from \$6.9 million in fiscal year 1929 to \$228.8 million in 1966. Giving impetus to this 32-fold increase were the introduction of grants to States for public health programs under the Social Security Act of 1935, the introduction of environmental control programs in the 1950s, the rapid expansion in the 1960s of the Food and Drug Administration program and the communicable disease prevention program, and the introduction in 1962 of programs aimed at preventing occurrence and increase of chronic diseases and diseases of aging.

SOURCES OF DATA AND METHODOLOGY

The primary source of data on expenditures of the Federal Government for "Other public health activities" is the *U.S. Budget*, supplemented by the *Budget Appendix*. The source for the description of programs is the *U.S. Budget Appendix*, 1968 and earlier, with supplementary information from the *Handbook on Programs of the U.S. Department of Health, Education, and Welfare*, 1964-65 edition.

Actual expenditures of the Federal Government for other public health services were obtained from the summary expenditure tables, wherever available, in the *U.S. Budget*; since 1961, from *Budget* tables entitled "Analysis of new obligational authority and expenditures by agency." For programs where the actual expenditures are not available in the "Summary" or "Analysis" and for deducted items, the new obligational authority figures as given in the

detailed *Budget* or *Budget Appendix* are used.⁸ These obligation figures are shown in the supporting detail for Federal funds by agency.

Grants for training of health personnel and expenditures for research traineeships and fellowships are listed as educational expenditures in the social welfare expenditure series and therefore are deducted from other public health program expenditures shown in table 3-8. For fiscal years 1960 to date, the deductions are made from the totals with the source of the deductions being the data compiled by the Office of Education, Department of Health, Education, and Welfare and shown in table 5-6 of the section on "Education." For the years prior to 1960, the Office of Education data do not readily permit identification of Public Health Service training expenditures (as distinguished from those of the National Institutes of Health). Therefore, training deductions prior to 1960 were made on a program-by-program basis, using the detailed *U.S. Budget*, and limited to those items that are known to be in the "Education" series, such as grants to schools of public health for professional public health training.

Expenditures data for medical and health-related research are also excluded from table 3-8, since these appear in a separate category, "Medical research." The deductions were made from the totals with the source of the deductions being the Research Analysis Branch, Office of Program Planning, National Institutes of Health. No deductions were made for the years prior to fiscal year 1947.

Many of the programs included in this section have changed their methods of reporting expenditures and their systems of classification over the years. The classification system used in table 3-8 follows recent budget presentations but, as the footnotes indicate, many individual programs have undergone shifts from one category to another.

⁸ New obligational authority refers to the authority granted by Congress permitting government agencies to enter into obligations representing amounts for orders placed, contracts awarded, services received, and similar transactions during a given period regardless of when payment of money is received. Expenditures represent the amounts for checks issued and cash payments made during the period.

The degree of detail and itemization reported in the *Budget* for some programs has varied since 1929. In many of the early years, actual expenditures were limited to whole programs, so that the breakdowns now obtainable from the *Budget Appendix* had to be estimated. For example, estimates were made for the cost of the Indian health program from 1949 to 1953 on the basis of more current data on the ratio of field service to the total expenditure for Indian health activities. In another example, data on other public health activities in the Canal Zone were not reported separately prior to 1943. The data for these years were estimated based on the percent that other public health services were of total expenditures for sanitation in the Canal Zone in 1943 and subsequent years.

LIMITATIONS OF THE DATA

Three basic limitations affect the data in this category of Federal expenditures for other public health services under civilian programs. The first limitation concerns the use of new obligation authority expenditure data where actual Federal expenditure data are not reported. Most

of the public health programs, however, are continuous and, over a span of time, the obligations tend to approximate expenditures.

The second limitation concerns the method of estimating portions of the programs in the earlier years where the actual expenditures are not available. All such estimates were based on percentages of the specific program item to the total expenditures of the program in some year. However, the percent often had to be used for several years before there was another opportunity to revise the figure. In most cases, the programs where estimates were used are relatively small in relation to total expenditures for other public health activities.

The third limitation involves the deductions for training grants, which are complete after 1959, but which are limited and incomplete before that year. As a result, the drop in "Other public health" expenditures from 1959 to 1960 is somewhat artificial and reflects the fact that the data prior to 1960 include an indeterminable amount of training expenditures that were not subtracted out either because they were not identifiable or because they were not included in the "Education" series prior to 1960.

Other Public Health Activities (State and Local Expenditures)

DESCRIPTION OF THE PROGRAM AND NATURE OF EXPENDITURES

Public health activities have been a traditional function of State and local governments. These activities were accepted quite early as a public responsibility under the rationale of protection of the population as a whole from epidemics and environmental hazards. Until relatively recently, most public health activities were centered on specific disease control programs, mass immunization, and environmental health activities. Since the 1920s, and particularly since the 1930s, the focus of public health activities has been broadened to include treatment of illness in addition to detection and prevention.

State and local expenditures for public health activities currently include expenditures for a wide variety of community and environmental health programs. Some of the activities covered by this category are general and categorical health programs, such as the cancer, chronic disease, tuberculosis, venereal disease control and detection programs, community mental health activities, mass immunization programs, diagnosis and treatment in publicly financed or sponsored public health clinics, and school health programs administered by health departments. Functions included are public health administration, public health nursing, operation of clinics, vital statistics, health education, and nutrition services. Environmental health serv-

ices other than sanitation and sewage treatment are also included in this category.

Certain expenditures which could fall within the broad definition of public health activities but which are part of separately identifiable programs, such as maternal and child health, are listed separately in the series and are therefore excluded from the category described here. Expenditures for research and construction and hospital care, except for State and local government payments to private hospitals prior to 1956, are reported elsewhere.

The expenditures shown are the net expenditures from State and local government funds. Grants-in-aid provided by the Federal Government to States and localities for public health activities are subtracted to obtain the net figures.

Expenditures from State and local funds for public health activities have increased from \$82 million in fiscal year 1929 to \$495 million in 1966. The rate of increase has been relatively low compared with that for other categories of health and medical services. The relatively slow growth reflects two factors: (1) the accelerated growth of other components of health and medical care; and (2) Federal aid to the States and localities.

Certain components of State and local public health department activities that are included in other categories of the series have grown very rapidly. These include well-baby clinics and prenatal clinics, which are reported as maternal and child health services. Outpatient clinics of public hospitals administered by departments of public health, which are growing in terms of services and expenditures, are included in the category of hospital and medical care. Medical research performed by public health departments are included in the expenditures for research.

Federal grants-in-aid to States and localities, which were virtually nonexistent in fiscal year 1929, grew to \$200 million in 1966. With the growth of Federal aid, net expenditures of State and local governments for other public health activities have been increasing at a slower rate, and for some recent years have shown an actual decline.

SOURCES OF THE DATA AND METHODS OF ESTIMATION

The base figures used in calculating State and local expenditures for "Other public health activities" are from Bureau of the Census publications: (1) *Historical Statistics on Governmental Finances and Employment, Census of Governments: 1962*; and (2) annual editions of *Governmental Finances* (formerly titled *Summary of Governmental Finances*). Data for fiscal year 1930 and for the odd-numbered years prior to 1952 were interpolated from the data for adjacent years. Data refer to 48 States and the District of Columbia prior to 1959, include Alaska in 1959 and Hawaii in 1960, and since 1960 refer to 50 States and the District of Columbia.

The Census data are based on the government level or jurisdiction making the final expenditure and therefore include Federal funds granted to States and localities for health purposes. Since the expenditures shown in this series are on the basis of the initial source of the funds, all Federal aid to State and local governments must be subtracted from the Census figures on State and local expenditures.

For fiscal years 1954 to date, the Census figure on Federal intergovernmental expenditures for health represents grants-in-aid and was the figure subtracted. This figure is taken from the table entitled "Detail of Federal expenditures for selected categories" in annual editions of the Census Bureau's *Governmental Finances*. For the years prior to 1954, when the intergovernmental expenditures for health were not available from the Census publications, the estimate of Federal aid to State and local governments for public health programs was obtained from annual editions of *Health, Education, and Welfare Trends* in tables entitled "Federal grants-in-aid for health services."

The Census Bureau category of State and local expenditures for health includes programs for maternal and child health, which are reported separately in this series. Based on data from the Children's Bureau, these expenditures have been deducted from the Census figures on State and local expenditures for health.

For fiscal years 1951-59, the Census figures also include public assistance vendor payments

for physicians' services. Since all public assistance vendor medical payments are shown separately in this series, the expenditures for physicians' services have been deducted for the years 1951-59 based on data obtained from the Bureau of Family Services.

The Census data on expenditures for health also include capital outlay for health facilities. For 1952 to the present, an estimate for capital outlay has been deducted from the base figure. The Census publication reports capital outlay for health and hospitals as a combined total. On the basis of more detailed data in the Census publication, *Compendium of State Government Finances*, it was estimated that 3 percent of the combined total was for the construction of public health facilities and the balance for hospitals. Prior to 1952, insufficient data are available on capital outlay to make the adjustment.

Expenditures for research are also included in the Census data on State and local health activities. Since medical and health-related research expenditures are reported as a separate category, these expenditures, as shown in table 3-6, are subtracted from the base figure.

LIMITATIONS OF THE DATA

The limitations of the data stem from a lack of information on the deductible items for the early years, as follows:

For fiscal years prior to 1952, the net figure includes capital outlay. Detailed data were not available on capital outlay prior to this period, and thus small amounts of expenditures for capital outlay are included in the State and local expenditures for public health activities prior to 1952.

For the years prior to 1957, public health research expenditures are also included in the totals and are not separable. However, based on the available information for later years, the amounts are probably inconsequential.

Another limitation involves the inclusion of State and local payments to private hospitals in the base data prior to 1956. After 1955 the Census data include these payments in the category of hospital expenditures. No data on the payments prior to 1956 are available to make the necessary deduction from the base figures for other public health activities.

Medical-Facilities Construction (Federal)

Federal expenditures for the construction of medical facilities have been divided into two categories for the social welfare expenditure series. The first consists of expenditures incurred by the Department of Defense (and predecessor agencies) in connection with medical facilities owned and operated by the Department. The second contains all other Federal expenditures for medical-facilities construction, except those incurred by the Veterans Administration, which are in another grouping.

Department of Defense

DESCRIPTION OF THE PROGRAMS AND NATURE OF EXPENDITURES

The Armed Forces provide hospital and medical care for the military, primarily in

facilities owned and operated by the Department of Defense. These facilities include hospitals, dispensaries, dental clinics, outpatient clinics, medical laboratories, field stations, and shipboard stations in the Continental United States and overseas.

Actual expenditures for each of the armed services—Army, Navy, and Air Force—are shown in table 3-10. No data were obtainable for prewar years and for the fiscal years 1946-48. Also missing are Army data for fiscal years 1949 and 1950. (There was no construction of Air Force medical facilities before 1952.)

These gaps are not considered serious since construction expenditures during the pre-World War II period for the Armed Forces were negligible. During the immediate postwar years, construction was probably minimal as many of the existing facilities were being deactivated.

Military medical construction expenditures for the first year for which data are available—fiscal year 1941—were \$18.6 million. At the height of the war in fiscal year 1943, these expenditures jumped to \$174.5 million, subsequently tapering off to \$38.9 million in 1945. Despite the Korean conflict, expenditures did not approach the 1945 figure again until fiscal year 1956. Since then the annual figures have fluctuated between \$24 and \$86 million.

SOURCES OF DATA AND METHODOLOGY

For the years subsequent to World War II, data on Defense Department construction of medical facilities have been provided annually on request by each of the armed services and represent the actual expenditures for the appropriate fiscal years. No adjustments were made in these data.

For the World War II years, various sources were used. The Navy data came from U.S. Navy Department, *Annual Report of the Secretary of the Navy, Fiscal Year 1945*, Washington, D.C., 1946, pages A-96 and A-97. Aggregates for each half year were added to yield fiscal year data. Data for fiscal year 1941 were obtained by taking two-thirds of expenditures reported for the 18-month period ending December 31, 1941.

The Army estimates were more difficult to compute. From the Real Properties Division, Inventories Branch, Corps of Engineers, U.S. Army, data were obtained on the cost of construction of each Army general hospital built during World War II. The costs for each hospital were allocated to a fiscal year according to table 15 in Clarence McK. Smith, *U.S. Army in World War II, Medical Department: Hospital and Evacuation*, Department of the Army, Office of the Chief of Military History, Technical Services, Volume 6, Part 4, Washington, D.C., 1956. This table shows the date the hospital received its first patient and the costs of that hospital were allocated to the fiscal year preceding that date.

LIMITATIONS OF THE DATA

The Navy data for World War II include continental and extra-continental expenditures

and therefore are more comparable to the rest of the series for subsequent years than the Army data for World War II, which are limited to general hospitals within the Continental United States.

The World War II data also have the limitation of being confined to major construction projects. For many reasons the data for barracks infirmaries, supply depots, dispensaries, etc., are not separable. Also omitted are the costs involved in converting hotels and other buildings into temporary hospitals. According to officials of the Defense Department, the amounts involved are minor in relation to total amounts expended.

To the extent that data are lacking for the pre-World War II years and for some of the immediate postwar years, the series understates construction expenditures for all types of medical facilities. Dollarwise, this gap is not considered substantial.

Other Federal Expenditures

DESCRIPTION OF THE PROGRAMS AND NATURE OF EXPENDITURES

Federal expenditures for other medical-facilities construction include all direct expenditures for the construction and alteration of hospitals, clinics, research and other medical facilities, and Federal grants for surveys, planning and construction of public and private hospitals and other medical facilities. Expenditures for the construction of Veterans Administration and Department of Defense medical facilities are presented in other categories in the social welfare expenditure series.

Expenditures for grants to States for waste-treatment works construction are excluded since sewer and sanitation systems are considered public utilities, which are not regarded as social welfare expenditures. Grants for the construction of facilities for health education are excluded from this category but are included elsewhere in the series as education expenditures.

The following is a list of Federal agencies that finance or have financed medical-facilities construction included in this category, with a brief description of the programs:

1. St. Elizabeths Hospital

Building and facilities.—Covers all construction and facilities improvement for St. Elizabeths Hospital.

2. Public Health Service

Buildings and facilities.—All direct construction of Public Health Service facilities except Indian health facilities and certain facilities of the National Institutes of Health, which have separate appropriations.

Indian health facilities.—Construction of general and field hospitals, personnel quarters, health centers and stations for Indians.

Construction of health and research facilities.—Includes expenditures for construction of research facilities and development of health facilities prior to 1959, and starting with 1957, data on the grant program for the construction of new and improved non-Federal research facilities in the sciences relating to health as authorized by the Health Research Facilities Act of 1956, as amended.

Hospital construction activities (mainly Hill-Burton program).—Federal grants to assist States, other public agencies, and non-profit organizations in the construction and modernization of hospitals, rehabilitation facilities, diagnostic and treatment centers, long-term care facilities, public health centers, and related health facilities. Funds are granted for construction of demonstration units and other projects relating to effective utilization of hospital resources. Under the Appalachian Regional Development Act of 1965, grants are also made for the construction and equipping of multicounty demonstration health facilities, including hospital and regional health diagnostic or treatment centers. Grants to States and territories for surveys and planning for hospitals and medical facilities construction are also included; this item is listed separately in table 3-11 for years before 1961, as are hospital construction administration and services prior to 1964.

Mental health facilities.—Includes expenditures for construction of mental health-neurology research facility, and grants for construction of university-affiliated facilities and community services facilities involved in

the care and treatment of the mentally retarded and of community health centers. For years 1960-65, also included are funds for assistance in the construction of housing facilities for the care and treatment of Alaskan mentally ill.

Cancer research facilities.—Grants are made for the construction of cancer research facilities.

3. General Services Administration

Hospital facilities, District of Columbia.—Grants for improvements in private hospital facilities in the District of Columbia.

PHS hospitals.—Major-project repairs and improvement programs of the Public Health Service hospitals, quarantine stations and research centers.

4. Miscellaneous

Among the miscellaneous items are: (1) expenditures for a spotted fever laboratory at Hamilton, Mont., from 1932-36; (2) expenditures classified as a construction activity from 1952 to 1954 under the Defense Production Act (program estimated requirements and acted upon applications for controlled material for hospital and health facility construction, excluding the military and Veterans Administration construction); (3) expenditures by the Department of State for technical assistance in reconstruction of public health facilities in the Philippine Islands from 1947-51; and (4) construction expenditures for George Washington University Hospital in the District of Columbia, starting 1965.

Most Public Health Service construction programs are of recent origin. The major one—Hill-Burton (Hospital Survey and Construction Act) program—was begun in 1946. Subsequent amendments have expanded the program. In 1954 grants were authorized for construction of diagnostic or treatment centers, hospitals for the chronically ill, rehabilitation facilities, and nursing homes. The Hospital and Medical Facilities Amendments of 1964 provided for modernization or replacement of facilities.

Other authorized construction programs included: grants for non-Federal research facilities, enacted in 1956; the research facility for Mental Health and Neurology in 1961; grants

for cancer research facilities in 1962; funds appropriated for mental retardation facilities in 1965; and grants for medical facilities under the Appalachian Regional Development Act of 1965.

With the advent of the Hill-Burton program, Federal expenditures rose astronomically—about 130-fold—from \$2.2 million in fiscal year 1947 to \$280.4 million in 1966. Since 1950 hospital-construction activities have been responsible for more than 70 percent of the annual Federal expenditures for civilian medical-facilities construction. During the early 1950s, the proportion was close to 90 percent. In recent years, the proportion has dipped below 80 percent as construction of mental health facilities and research facilities received increasing attention.

SOURCES OF DATA AND METHODOLOGY

The primary source of data on Federal expenditures for other medical-facilities construction is the *U.S. Budget*, supplemented by the *Budget Appendix*. Actual expenditures were obtained whenever available from the summary expenditure tables in the *U.S. Budget* and, since 1961, from *Budget* tables entitled "Analysis of new obligational authority and expenditures by agency." For programs where the actual ex-

penditures are not available in the "Summary" or "Analysis," the new obligational authority figures as given in the detailed *Budget* or *Budget Appendix* were used.

For the years 1929 through 1939, expenditures for marine hospitals and quarantine and inspection stations were obtained from *Annual Reports of the Secretary of Treasury on the State of the Finances*. The data on expenditures for major-project repairs and improvements in Public Health Service hospitals and facilities were not available on a separate basis prior to 1956. Data for the years since 1956 have been furnished by the General Services Administration and now the Division of General Services of the Department of Health, Education, and Welfare.

The definitions of the programs are from the 1968 *Budget Appendix*.

LIMITATIONS OF THE DATA

In addition to the previously mentioned lack of information for certain programs—particularly the General Services Administration—there is little specific information available on an annual basis on grants for construction of hospitals under the Public Works Administration of the 1930s. No attempt has been made to include an estimate of such expenditures in the series.

Medical-Facilities Construction (State and Local)

DESCRIPTION OF THE PROGRAM AND NATURE OF EXPENDITURES

State and local expenditures for medical-facilities construction as shown in the series are the net expenditures from State and local funds for the construction of hospitals, clinics, public health agencies, laboratories, and research facilities, whether publicly or privately owned. These expenditures exclude grants to the States and localities from the Federal Government (mainly Hill-Burton funds) for construction of such facilities.

Construction expenditures as defined in this

series consist of the production of fixed works and structures and additions, replacements and major alterations, including design, site improvement, and provision of facilities and equipment that are integral parts of a structure. Construction expenditures do not include the acquisition of land or expenditures for movable equipment.

State and local expenditures for medical facilities construction were \$100 million in fiscal year 1929, dropped to a low of \$36 million in 1942, rose to a high of \$341 million in 1958, and were \$336 million in 1966.

SOURCES OF DATA AND METHODOLOGY

The sources of data from 1952 to the present are Bureau of the Census publications: (1) *Historical Statistics on Governmental Finances and Employment, Census of Governments: 1962*; and (2) annual editions of *Governmental Finances* (formerly titled *Summary of Governmental Finances*). Data refer to 48 States and the District of Columbia prior to 1959, include Alaska in 1959 and Hawaii in 1960, and since 1960 refer to 50 States and the District of Columbia.

The base figure is the item labeled "Construction expenditure only" for health and hospitals under State and local governments. Since the Census Bureau reports expenditures by the final level of government performing the function, rather than the level of government that is the source of funds, all Federal grants to State and local governments for construction must be subtracted from the base figure to obtain the net State and local expenditures. The data on Federal grants for hospital construction are included in the annual editions of *Governmental Finances* in the intergovernmental expenditure table entitled "Detail of Federal expenditures for selected categories." This figure is subtracted from the base figure to obtain the net State and local expenditures for medical-facilities construction. For the years 1952 and 1953, no Federal intergovernmental expenditure figures were published and estimates were made, using Federal program data, mainly from the Hill-Burton program.

The base figures for the years prior to 1952 are from the U.S. Department of Commerce and U.S. Department of Labor, *Construction Volume and Costs, 1915-1956*, table 3, page 7, the series labeled "New public construction (value put in place)—hospital and institutional." Revised data for years 1947-1951 appear in Bureau of the Census, *Value of New Construction Put in Place, 1946-1963 Revised*, table 1, page 6. These data reflect the construction of public buildings only.

The "New public construction" figures include the construction of Federal, State, and local facilities and therefore need to be adjusted for (1) direct Federal construction expenditures; and (2) Federal grants to State

and local governments for the construction of publicly owned medical facilities. An estimate of direct Federal construction was taken from U.S. Department of Health, Education, and Welfare, Office of the Secretary, *Health, Education, and Welfare Trends, 1961 edition*, table entitled "Hospital construction financing," with some interpolation for early years. The same table also gives data for the Federal grants (Hill-Burton) program but no distinction is made between grants to State and local governments and those to nongovernment (private) agencies. Based on information in the Public Health Service publication entitled *Facts About the Hill-Burton Program, July 1, 1947 - December 31, 1963*, page 3, an estimate was made of the portion of Hill-Burton funds allocated to public hospitals. Deducting both direct Federal construction expenditures and Federal grants to States and localities from the base figure yielded a figure on net State and local expenditures for hospital and medical-facilities construction.

Only one adjustment then remained. All the data for the years prior to 1952 are on a calendar-year basis. Since the data in the social welfare expenditure series are presented on a fiscal-year basis, the calendar-year data were averaged to obtain estimates for fiscal years.

LIMITATIONS OF THE DATA

Aside from the limitation inherent in the shift in sources of data and the break in continuity, there are several specific limitations in the data presented for the years prior to 1952.

The data based on *Construction Volume and Costs* include, in addition to expenditures for medical facilities, certain nonmedical institution expenditures including domiciliary facilities, child centers and nurseries, orphan homes, and homes for the aged. There is no information on the proportion of the total that would apply to the nonmedical institutions.

A further limitation is the conversion of calendar-year data to fiscal-year data by averaging rather than by totaling monthly data. Monthly data are not readily available for these years. Over time, however, the averaging method would tend to equal a total of monthly data.

Another limitation is the necessity of estimating the Hill-Burton grants to public hospitals for the period before 1954. No exact data on these grants by ownership of facility are available.

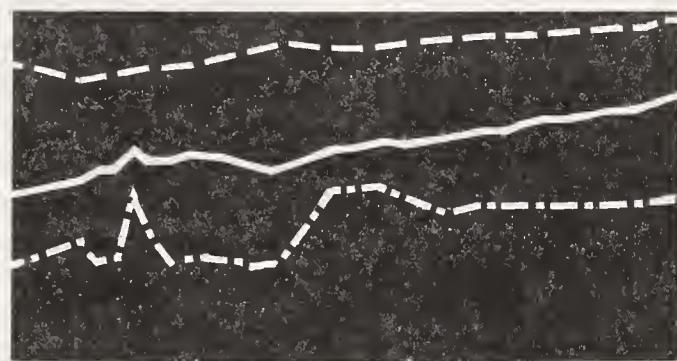
The data based on *Construction Volume and Costs* show the total monetary value of public construction rather than public expenditures for construction, whether publicly or privately owned. The Census Bureau data show actual public expenditures for construction of both

public and private facilities. Since the social welfare series is intended to show expenditures under public programs, which would include public expenditures for privately owned or sponsored facilities and services, the base data from *Construction Volume and Costs* do not completely meet this concept. The mitigating factor is that while there is a sizable amount of Federal expenditure for privately owned medical-facilities construction, there is very little State and local financial participation in the construction of private medical facilities.



Chapter 4

VETERANS' PROGRAMS



PREVIEW

VETERANS of the wars of the United States, and—to a lesser extent—veterans of peacetime military service, and their families are eligible for a wide range of cash and other social welfare service benefits. The bulk of these benefits are provided by the Federal Government mainly through the Veterans Administration, the rest by the State governments—in some instances with Federal assistance.

At considerably more than \$6 billion, government expenditures for cash and service benefits for veterans, their families, and their survivors in fiscal year 1966 were about 10 times the 1929 level. From about \$650 million in that year these expenditures first reached \$1 billion¹ after passage of the Servicemen's Readjustment Act of 1944, promptly doubled after the close of World War II, then more than redoubled, and hit an all-time high of nearly \$7 billion in fiscal year 1949. They have ranged between \$5 billion and \$6 billion almost ever since.

The cash benefits consist primarily of compensation for service-connected disabilities;

pensions (with an income test) for nonservice-connected disabilities; and compensation, pensions, and indemnities for survivors. Other cash benefits of the past and present include burial allowances, subsistence payments while in a veterans' education or training program, and low-cost government life insurance.

(All veterans' unemployment insurance programs are excluded here but are included with unemployment insurance in the "Social insurance" section of the series even though one program—World War II "servicemen's readjustment allowances"—was administered by the Veterans Administration and financed from its general appropriation.)

Service benefits include hospitalization; in-patient and outpatient medical and dental care; nursing-home care; vocational rehabilitation services; domiciliary and restorative care; grants for specially adapted houses and automobiles; education and training assistance for ex-servicemen and their children; job placement preference and assistance; and guarantee of loans for the purchase of homes, farms, and businesses.

The major change from the previously published series is that data on veterans' programs now include the various government life insurance programs. These programs had been omitted in the past because it was felt that the

¹ Except for fiscal year 1936 when certain Federal bonus payments—adjusted service certificates—raised the total to \$3.8 billion.

voluntary nature of the coverage and the type of individual policies sold produced characteristics more closely akin to private insurance than to benefits of a social welfare nature. However, the life insurance risk is underwritten by the Federal Government, all payments are channeled through Federal trust funds, and the administrative expenses of the programs are almost completely absorbed by the Federal Government. For these reasons, it was decided to include the government life insurance programs in the veterans' series back to fiscal year 1929.

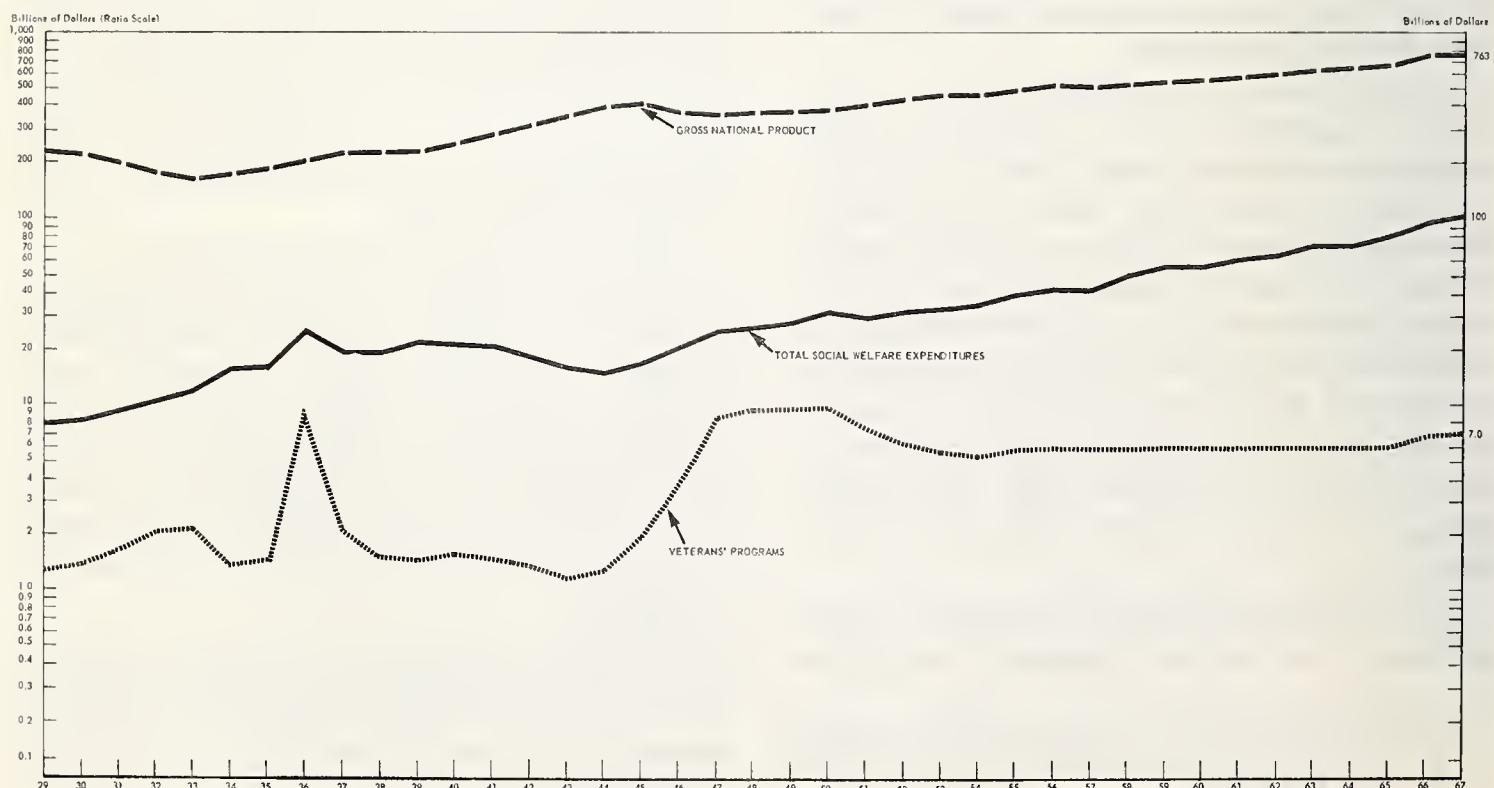
Cash pension and compensation payments, which accounted for slightly less than two-thirds of all benefits and administrative costs in fiscal year 1929, still accounted for approximately the same two-thirds of the 1966 total. In contrast to this steady growth is the development of education benefits, also largely cash. Beginning with the Servicemen's Readjustment Act of 1944, education shot up to a peak of \$2.8 billion—more than 40 percent of 1949 expenditures for veterans—declined to less than \$1 billion after 1953, and continued a steady de-

crease to less than \$40 million— $\frac{1}{2}$ of 1 percent of the 1966 expenditures. Hospital and medical care, the largest of the veterans' service programs, has grown steadily from a \$50 million operation in 1929 to one involving more than \$1 billion a year in the last several years, not including expenses for construction or research. From about one-fourteenth of expenditures for veterans it has increased to almost one-fifth of current annual totals.

For longer than the past decade, veterans' life insurance payments (including administrative costs) have amounted to \$450-\$500 million a year, between 6 percent and 10 percent of all veterans' benefits and administration. The dollar amount peaked in fiscal year 1952 at \$555 million, but these payments formed the highest proportion of all veterans expenditures, nearly 25 percent, in 1934—a year of drastic economy for budgetable expenditures.

State and local veterans' expenditures, largely bonus payments, reached their high point at \$637 million in fiscal year 1948, and are currently running at approximately \$20 million a year.

Chart 16.—Gross national product, total social welfare expenditures, and expenditures under veterans' programs, in constant 1967 dollars, 1929-67



Pensions and Compensation (Federal)

DESCRIPTION OF THE PROGRAM

The *disability compensation* program provides financial assistance to veterans with *service-connected* disabilities to compensate them for the loss of or reduction in earning power resulting from such disabilities. Compensation is based on average impairment of earning capacity resulting from comparable injuries and diseases in civilian life.

Disability compensation rates vary according to degree of disability, the larger amounts being paid to veterans with the greater disabilities. In fiscal year 1966, compensation payments ranged from \$21 a month for a 10-percent disability incurred in wartime to \$300 for total disability. The disabilities are rated according to a schedule, but special statutory rates for such disablements as blindness and loss of limbs may increase the compensation to \$600 a month, with additional allowances of up to \$250 a month for housebound veterans or those in need of regular aid or attendance. Veterans with disabilities of 50 percent or more are also entitled to benefits for their dependents. These range—for the totally disabled—from \$25 a month for a wife to \$68 a month for a wife and three children plus \$13 for each additional child. For disablement during peacetime service, 80 percent of the wartime service amounts are paid.

The *death compensation and dependency and indemnity compensation* program provides financial assistance to widows, children, and dependent parents of veterans whose deaths were *related to service*, to compensate for the resultant loss of family income.

Widows eligible for dependency and indemnity compensation payments receive \$120 a month plus 12 percent of the serviceman's base pay, with a minimum of \$131. Widows with two or more children receive supplemental payments of \$28 for each child in excess of one, up to a \$128 monthly supplemental maximum minus the total of any survivor benefits payable under OASDHI, railroad retirement, or any

"special payments."² For a child if there is no widow, \$80 is the minimum monthly amount. Dependency and indemnity compensation is also payable to parents of deceased veterans at monthly rates ranging from \$12 to \$87, depending on whether there are one or two parents entitled, their annual income, and whether one or both may have remarried.

Survivors receiving compensation as the result of service-connected deaths before January 1, 1957, may elect to receive payments under the system then in effect or under the new law. Payments under the old law are not differentiated according to base pay, but there is a distinction between wartime and peacetime rates.

The *disability pension* program gives financial assistance to war veterans who are *in need* and are permanently and totally disabled by virtue of disease or injuries *without regard to service origin*.

Veterans eligible for total disability pensions must have annual incomes not in excess of \$1,800, if unmarried, or \$3,000, if married or supporting a minor child. Veterans may disregard 10 percent of income from public or private retirement plans or annuities. Married veterans may disregard the larger of the spouses' earned income or \$1,200 of total income in figuring eligibility. Assets of the veteran are also considered.

Disability pensions range from \$43 to \$100 a month on a sliding scale in inverse proportion to income. Additional amounts are provided for dependents. Veterans in need of regular aid and attendance receive an extra \$100 a month, or \$35 if permanently housebound.

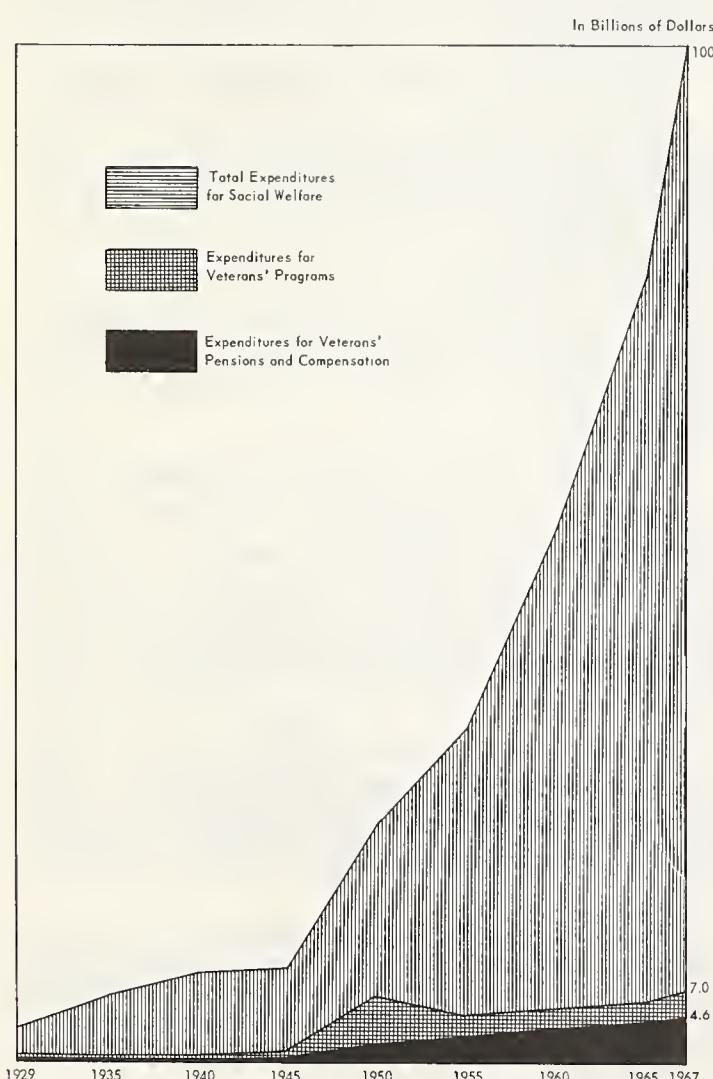
Veterans on the rolls on June 30, 1960, who chose to continue under the law then in effect receive a flat-rate pension of \$66.15 a month, which is increased to \$78.75 after continuous

² "Special payments" are made to survivors of veterans who died after 1956 from service-connected causes and who were not insured under the Social Security Act, but whose survivors would have been entitled to OASDHI benefits had these veterans been insured.

receipt for 10 years or when the veteran reaches age 65. Veterans who are bedridden, blind, or require the aid and attendance of another person receive \$135.45. The income limitation is \$1,400 a year for single veterans and \$2,700 a year for those married or with children.

The *death pension* program gives financial assistance to *needy* widows and children of veterans of wartime service whose deaths were *not related* to military service. The income limitations are \$1,800 a year for those without children and \$3,000 a year for those with children. Death pensions for widows vary from \$27 to \$64 a month depending on income, plus an additional \$16 for the first child and \$15 for each other child.

Chart 17.—Growth in aggregate dollar amounts of expenditures for total social welfare, veterans' programs, and veterans' pensions and compensation, 1929–67



For widows on the rolls on June 30, 1960 who elected to continue under the old law, pensions are paid if income does not exceed \$1,400, or \$2,700 with children present. Monthly pensions under the old law are \$50.40 for widows without dependents, \$63 for those with one child, and \$7.56 additional for each additional child. If there is no widow entitled, monthly pensions are \$27.30 for one child, \$40.95 for two, \$54.60 for three, plus \$7.56 for each additional child. Benefits paid for two or more children are divided equally.

The *service pension* program gives financial assistance to persons who served during wartime periods prior to World War I (now mostly veterans of the Spanish-American War), and to their widows and children, *without regard to need or disability*. In addition to service pensions a *special pension* of \$100 a month is payable to all veterans who have been awarded the Congressional Medal of Honor.

Burial allowances are awarded to help meet the funeral expenses of war veterans and of peacetime veterans discharged or retired for disability or who are in receipt of disability compensation at death. The current statutory allowance is up to \$250. For veterans who die in Veterans Administration hospitals or domiciliaries, the same sum is allowed for burial, plus the cost of transporting the body to the place of burial. United States flags are provided to drape the coffins of all veterans, whenever requested.

NATURE OF EXPENDITURES

All expenditures made from the compensation and pension appropriation of general funds are included in the social welfare expenditures. These include the monthly cash payments of compensation and pensions, the statutory burial allowances, contract burial expenses, and payments to participants in yellow fever experiments (totaling \$300,185 from fiscal year 1932 through 1963, when the last participant died). In addition, allocated and unallocated administrative expenses are included.

SOURCE OF DATA

All the data used in compiling benefits and administrative costs under the several veterans'

benefit programs are provided by the Veterans Administration. Because of differing publication deadlines, these data are secured in unpublished form immediately following the close of the fiscal year; back years are revised at this time. After revision, the compensation and pension benefit data coincide exactly with the figures for compensation and pensions plus the yellow fever experiment compensation payments as they appear separately in the *Annual Report* of the Administrator of Veterans Affairs.

Administrative costs are allocated to each program by the Veterans Administration on the basis of accrued expenses in the absence of data on expenditures. There is, however, a sizable amount of unallocated administrative costs which the Veterans Administration supplies only in total. These unallocated costs are then allocated among the several types of benefits in the same ratio that the allocated administrative costs for each veteran's program are to the total of all allocated administrative costs.

Before 1947 only unallocated administrative costs were available. These were distributed among the programs in accordance with the historical relation (derived from later-year data) that administrative expenses bore to program expenditures for each of the veterans' programs.

PROGRAM DEVELOPMENTS

The Administrator of Veterans Affairs has given the following review of the first 30 years of the operation of the Veterans Administration in the area of compensation and pensions.³

"The scene in 1930, just prior to the establishment of the Veterans Administration, was as follows: World War I veterans and their surviving dependents were entitled only to service-connected disability and dependents benefits; veterans and surviving dependents of the earlier wars (Spanish-American War, Indian Wars, etc.) were entitled to both service-connected and nonservice-connected benefits.

"... Associated with the veteran population

explosion following World War II, . . . the program providing compensation for service-connected disabilities has been changed by granting higher rates to reflect changed economic conditions, and by introducing special rates for severely disabling conditions. For example, 30 years ago a veteran with a 10 percent disability received \$10 per month compensation; a veteran with 100 percent disability received \$100 per month. Today, comparable rates are \$19 per month and \$225 per month. Also, it is now possible for severely disabled veterans to receive maximum monthly compensation of \$600 as contrasted with \$100 per month 30 years ago. Additional compensation is also payable if the veteran is at least 50 percent disabled and has dependents.

"Through 1956 the program of service-connected death compensation to widows, children, and dependent parents saw changes limited primarily to rate increases geared to economic conditions. On January 1, 1957, however, a new benefit went into effect called 'Dependency and Indemnity Compensation'; this benefit reflected a revised method of computing compensation to dependents surviving veterans. Under this law, monthly benefit payments are related to the military pay of the deceased veteran . . . instead of the fixed rates under previous law. In addition, the distinction between wartime and peacetime service-connected disabilities was eliminated. Heretofore, rates for peacetime service-connected deaths were 80 percent of the wartime rates. Persons on the death compensation rolls on the effective date of this new benefit could continue under the old law or elect to receive benefits under the new law.

"Prior to 1930, nonservice-connected benefits were limited to veterans and surviving dependents of the wars prior to World War I. On July 3, 1930, a new benefit—disability allowance—was provided for needy World War I veterans with nonservice-connected disabilities. Four degrees of disablement (25, 50, 75, and 100 percent) were provided, the maximum amount payable was \$40 monthly, with no provision for paying benefits to surviving widows or children. Disability allowance was abolished by the Economy Act of 1933.

"The first disability pension law, giving to

³ *Annual Report* [of the] Administrator of Veterans Affairs, 1961, pp. 54-56.

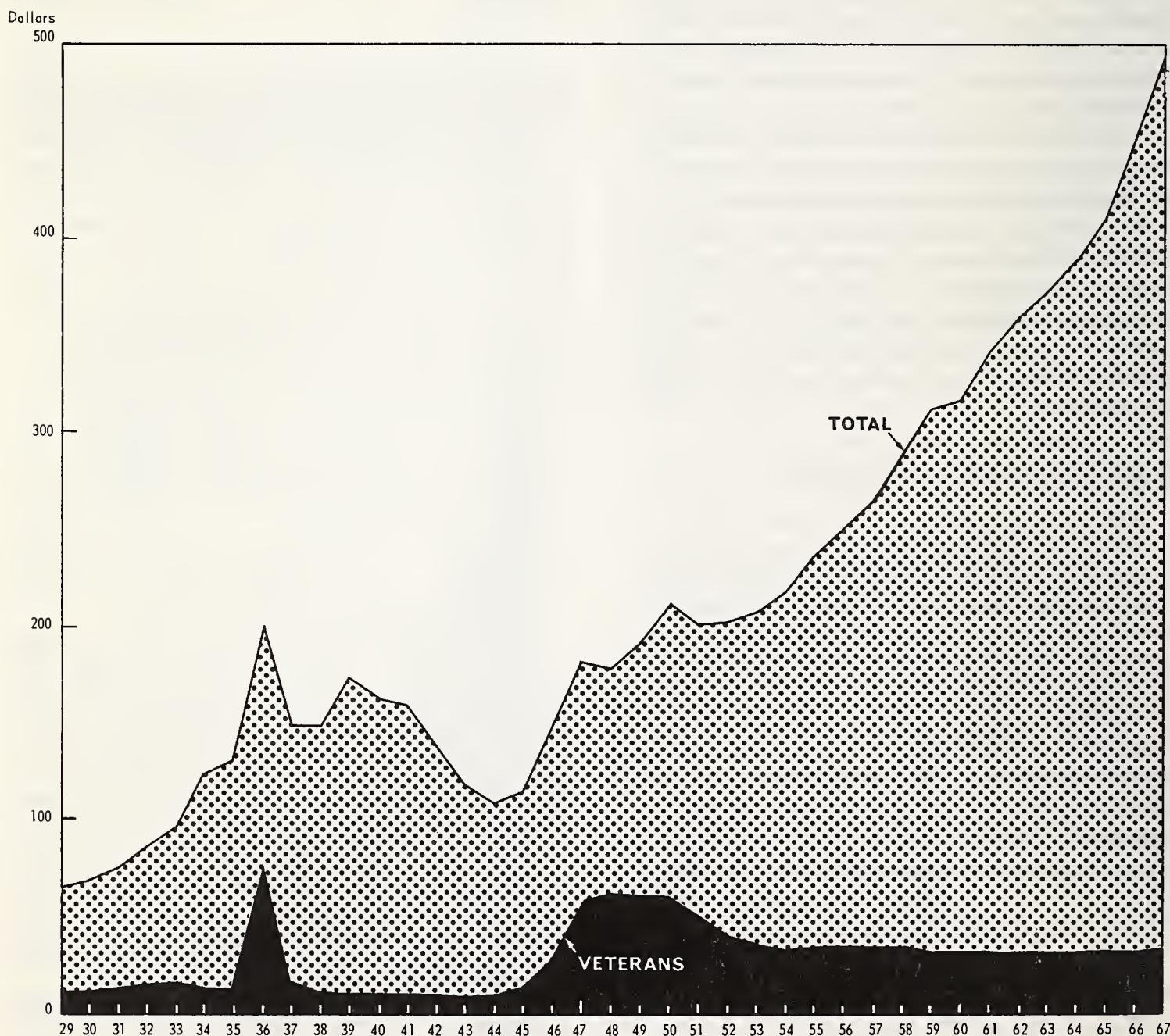
needy World War I veterans benefits similar to those available to veterans of the earlier wars, came into being coincident with the [1933] Economy Act. Under this law the veteran had to be permanently and totally disabled, with an annual income of \$1,000 or less if single or \$2,500 or less if married or with a minor child. The monthly pension rate was \$30.

"(Disability pensions were extended to World War II veterans in May 1944—during hostilities—and to Korean conflict veterans in May 1951—also during hostilities. These were the

same pension benefits to which World War I veterans were entitled with similar eligibility requirements.)

"In 1934, survivors' pension benefits were established for widows and children of deceased World War I veterans. Entitlement criteria in the original law were stringent: death had to be nonservice-connected; not caused by misconduct; the veteran had to have a 30 percent service-connected disability at time of death; and benefits were not payable to a widow who was not exempt from the payment of Federal

Chart 18.—Per capita expenditures in constant 1967 dollars for total social welfare and veterans' programs, 1929–67



income tax for the preceding year.

"Since then, many modifications were made in these entitlement requirements. For example, the requirement that the veteran have a 30 percent service-connected disability at time of death was successively reduced to 20 percent, to 10 percent, to zero percent, and finally eliminated in December 1944. The Federal income tax exemption requirement was replaced by an income limitation of \$1,400 annually for a widow alone or a child alone, and \$2,700 for a widow with a minor child. These requirements are still in effect for widows and children who continued under the program known as the 'old pension law' but not under the new pension law. . . .

"Widows and children of deceased World War II veterans were first granted pension entitlement in May 1944 by Public Law 312, 78th Congress, which contained the prior requirement for World War I widows that the veteran must have had a service-connected disability at time of death. This same disability requirement applied to widows and children of deceased Korean conflict veterans who were granted eligibility for pension benefits in 1951.

"On July 1, 1960, a significant change was made in the laws governing disability and death pensions for World War I, World War II, and

Korean conflict veterans. . . . a sliding scale of pension rates was established which paid more to those with the greatest need and less to those whose needs are not so great. Annual income limitations were raised to \$1,800 and \$3,000 and monthly pension payments were increased, under the sliding scale, for both veterans and dependents in the lower income groups. Also pension was provided for widows and children of World War II and Korean conflict veterans on the same basis as widows and children of World War I veterans by removing the requirement that the veteran must have had a service-connected disability. All pensioners on the rolls when the new law went into effect could continue to receive benefits under the old law or elect to take higher benefits under the new law."

In nearly every year since the Veterans Administration's 30th anniversary résumé one or more aspects of veterans' or dependents' compensation or pension has been further liberalized, either by raising the rate paid, by increasing the minimum and maximum, or—for benefits conditional on a needs test—by liberalizing the standards for computing income. The most recent rates of benefits are cited at the start of the compensation and pension section; these applied at the end of fiscal year 1966.

Health and Medical Programs (Federal)

In the medical field the Veterans Administration provides hospital, outpatient, nursing bed, restorative, and domiciliary care to eligible veterans. To accomplish this mission, the VA also constructs hospitals, conducts a research program to improve methods of diagnosis and treatment, and engages in an education and training program to improve the professional competence of its staff.

In the social welfare expenditure series Federal expenses for veterans' health and medical services are sub-divided into (1) hospital and medical care, with the education and training program included with administrative expenses; (2) hospital construction; and (3) medical and prosthetic research. Domiciliary

care (except for the hospital bed occupancy costs) is one of nine items reported in the social welfare series under the "Welfare and other" veterans' programs.

Hospital and Medical Care DESCRIPTION OF THE PROGRAM

All veterans with service-connected disabilities are eligible for a wide range of hospital and medical services, as are veterans with non-service-connected disabilities who are unable to pay for care. The medical care program includes inpatient and outpatient hospital and clinic care, nursing bed care (and a community nursing-home program where nursing bed fa-

cilities are not available), day-care centers for psychiatric patients, outpatient dental care, and the provision of prosthetic appliances.

Most veterans are cared for in one of the 165 Veterans Administration hospitals, which collectively have a capacity of about 118,000 beds—approximately 7 percent of all the hospital beds in the country. Medical care is also given to veterans in other Federal hospitals, in hospitals attached to VA domiciliaries, and in State and local government and private hospitals at the expense of the Veterans Administration.

The outpatient program provides medical and dental treatment, examination by VA staff or by private practitioners on a fee basis, for the following: (1) Veterans, for treatment of all service-connected disabilities, and certain nonservice-connected disabilities, for prebed and posthospital care, for determining the extent of disability to establish a compensation or pension rating or the need for hospital or domiciliary care, for VA insurance purposes, or for treatment to avoid interruption of VA vocational rehabilitation; (2) pensioners of allied nations of both World War I and II (on a reimbursable basis); (3) beneficiaries of such other Federal agencies as the Peace Corps, the military establishment, etc.; (4) VA employees who become ill on duty, suffer work injuries, or perform certain types of patient care, and prospective employees to determine fitness for duty; and (5) persons who need emergency aid, for humanitarian reasons.

At the close of fiscal year 1966 these services were provided or authorized on a fee basis by 202 hospitals or other VA stations, including 69 mental hygiene clinics, 28 audiology and speech pathology centers, and 32 day treatment centers. In addition, the VA provides professional nursing care to service-disabled veterans in their own homes through contracts with over 500 agencies. The volume of home visits by community nurses from these agencies varies: 37,000 in fiscal year 1966, 32,400 in 1965, 41,700 in 1964, and 24,000 in 1961.

NATURE OF EXPENDITURES

All expenditures for hospital and medical care services to veterans—whether dispensed at VA facilities, other Federal installations, or

at State or local public or private institutions—are included in the social welfare expenditure series as part of the veterans' health and medical programs. They come from appropriated funds of the Veterans Administration.

Nothing is collected from veterans for treatment of service-connected conditions, and only the needy (nonpaying) nonservice-disabled are treated at VA facilities. Occasionally, however, the VA is able to collect all or part of its cost—usually as a result of insured accidents or similar circumstances. Reimbursements of this nature are deducted from expenditures. They represent a very small fraction of VA hospital and medical expenditures.

SOURCE OF DATA

All veterans' health and medical benefit data are provided by the Veterans Administration together with the administrative expenses allocable to each function and the total unallocated administrative costs (see page 131.)

The hospital care function of the VA also includes the provision of domiciliary care. This is regarded as a separate function in the social welfare series; for the purpose of supplying data for the series, the VA has developed a method to divide hospital care and domiciliary care expenditures into appropriate shares. Domiciliary care expenditures appear in the "Welfare and other" part of the veterans' benefits chapter.

PROGRAM DEVELOPMENTS

The following description of the veterans' hospital and medical care program of the early 1930s and comparison with the level of operation of that program currently (including the per diem cost tabulation at the end of the quotation) are taken from the 1961 VA 30th anniversary *Report*, pp. 12-14.

"On June 30, 1931, there were 54 VA hospitals (7 of which were opened that fiscal year), with a total capacity of slightly more than 26,000 beds. Three decades later the number of hospitals had been expanded to 170, with a capacity of more than 122,000 beds.

"The average daily patient load in fiscal year 1931 was 33,000 of which approximately 24,000

were in VA hospitals, and 9,000 in other Federal (including National Homes), State and local government and private hospitals, as VA beneficiaries. In fiscal year 1961, this number had grown to more than 114,000 of which 111,000 were in VA hospitals and 3,000 in contract hospitals....

"During fiscal year 1931, outpatient medical and dental services were provided in 54 outpatient clinics located in regional offices. This number has grown to 93 outpatient clinics providing care on June 30, 1961. In 1931, as today, care was provided by both VA staff and private specialists on a fee basis ('home-town' care).

"In 1931, the outpatient program provided 1,900,000 medical examinations and 742,000 medical treatments. In fiscal year 1961, veterans made more than 3,500,000 visits for medical examination and treatment.

"... Outpatient dental activity experienced a phenomenal growth after World War II with a peak of over 800,000 applications... during fiscal year 1948, and 660,000 of these receiving treatment....⁴

"The varying effects of a prolonged recession in the 1930s, World War II in the early 1940s, the ensuing wage-price spiral in the late 1940s, and 1950s, the increasing costs of the advanced techniques in medical care, are reflected in the costs of the VA medical program. The following table shows a comparison of per diem costs at 10-year intervals, by type of VA hospital, commencing with fiscal year 1931."

Type of hospital	Per diem cost, fiscal year			
	1931	1941	1951	1961
All hospitals	\$3.72	\$2.78	\$11.66	\$19.93
Neuropsychiatric	2.69	1.93	7.22	13.40
Tuberculosis	5.19	4.14	13.82	24.73
General medical and surgical....	4.49	3.81	16.47	25.89

Source: *Annual Report, Administrator of Veterans Affairs, 1961* (U.S. Government Printing Office: 1962).

By the end of fiscal year 1966, the average daily cost in all VA hospitals had risen to \$24.90: \$16.87 in psychiatric facilities; and \$32.46 in general hospitals. The average cost

⁴ In June 1955 Congress limited dental care to one-time treatment, except for special disabilities which reduced the caseload to less than 26,000 by fiscal year 1961.

in the nursing-home units, a type of veterans' medical-care facility initiated in 1965, dropped from \$19.10 in the initial year to \$15.89 in 1966.

In 1964 veterans' medical services were augmented by the institution of a nursing bed care program in VA hospitals. This new service has expanded from 1,009 nursing beds in 27 hospitals the first year to 2,262 beds at 38 hospitals in 1966. A reimbursement program to State and private nursing homes gave similar care to 3,854 eligible veterans in 1966. This type of care is designed for veterans who have obtained maximum hospital benefit but are still too disabled for VA domiciliary life. The skilled nursing care emphasizes teaching self-care measures to the patients.

Hospital Construction

DESCRIPTION OF THE PROGRAM

The major part of hospital inpatient and outpatient services for veterans are provided at hospital and clinic facilities constructed and operated by the Veterans Administration. At the end of fiscal year 1966 the VA was about half way through a billion-dollar hospital construction and modernization program.

The Veterans Administration and its predecessor organizations have been responsible for providing hospital care—as distinct from domiciliary care—for veterans since 1917. Hospitals of the Public Health Service were used until 1922 when hospital beds for veterans were transferred to the former Veterans Bureau, and the first nonservice-connected illnesses were authorized to be treated. Today the VA operates a network of 165 hospitals with a capacity of approximately 118,000 beds within the 125,000-bed maximum authorized by the President.

NATURE OF EXPENDITURES AND THE SOURCE OF DATA

The expenditures include construction of new hospital and clinical facilities, nursing bed facilities, and domiciliary facilities, as well as additions to and modernization of all existing VA medical facilities.

The data are provided by the Veterans Administration on an estimated or actual expend-

iture basis for earlier years and on the basis of accrued expenses from fiscal year 1963 on.

The construction of hospitals is part of a Veterans Administration "mission" that includes the construction of domiciliary facilities. The construction data do not lend themselves to prorating, as do the data on hospital care and domiciliary care (see page 134). The hospital construction data thus include construction of the VA domiciliaries. The same holds true for the allocated administrative expenses of the two parts of the construction program. Unallocated administrative costs are allocated to the several VA functions, as described above.

Medical and Prosthetic Research

DESCRIPTION OF THE PROGRAMS

The Veterans Administration hospitals and other centers engage in an extensive program of medical and prosthetic research. In fiscal year 1966 medical research programs were being conducted in 154 VA hospitals and other facilities by nearly 5,780 investigators who reported a total of 6,552 VA research projects to the Science Information Exchange for the fiscal year.

Such "research" as was undertaken in VA hospitals before World War II was generally the product of the interest of individual staff members and was quite secondary to the provision of medical services. Medical research as a major function of the Veterans Administration did not begin until January 3, 1946, with the internal reorganization that created the Department of Medicine and Surgery under Public Law 293, 79th Congress. At first, while the VA hospital system was being expanded, research was contracted for and conducted in

medical schools. As qualified investigators were added to the staff, VA intramural research activities increased in volume and scope. Since 1954 virtually all VA medical research has been accomplished within the VA system rather than by contract. VA hospitals with large research staffs have attracted highly qualified professional staffs and, conversely, their presence has induced the VA to expand its research programs.

NATURE OF EXPENDITURES

The expenditures for VA medical and prosthetic research include intramural VA staff research, research performed for the VA under contract, and collaborative efforts by VA staff and staff of universities and medical schools. Acquisition of certain large types of medical equipment (e.g., X-ray machinery) is also included. No separate data on research are available before 1947.

SOURCE OF DATA

The data used here are from the series compiled and published by the Resources Analysis Branch, Office of Program Planning, National Institutes of Health (see section entitled "Medical research" under category "Health and medical programs.") The NIH figures are used in preference to unpublished figures furnished by the Veterans Administration because of their comparability with the other health and medical research data for which there is no source but NIH. There is very little difference between the two series. Expenditures for VA medical and prosthetic research are added to other government health research figures in some of the tabulations of the social welfare expenditure series and it seemed appropriate to take them all from one "official" source.

Education (Federal)

DESCRIPTION OF THE PROGRAM AND PROGRAM DEVELOPMENTS

Under three different programs administered by the Veterans Administration veterans whose

education was interrupted by wartime service have been enabled to complete that education at government expense. A fourth program provides assistance in financing the education of children of deceased veterans and of living

service-disabled veterans. Benefits under the World War II program⁵ have long since expired; benefits for Korean conflict veterans⁶ are closed to new entry; benefits for post-Korean and Viet Nam conflict veterans were authorized only in March 1966,⁷ with first payments in July of that year. In fiscal year 1966, the only program in full operation during the whole year, therefore, was that for children of veterans.⁸

Under the adult programs, the World War II veteran could get tuition and fees, his books and other educational supplies and equipment, and a monthly subsistence allowance for himself and his dependents. Training could be at any level, from on-the-job and on-the-farm training with no formal educational prerequisites through university graduate study to the Ph.D. Servicemen and servicewomen were deemed to have had their education interrupted and were eligible, as their length of service warranted, for up to a maximum of 36 months (equivalent to 4 school years or 8 semesters) of schooling.

Under the World War II program, subsistence allowances were paid to the veteran; tuition and other costs were paid directly to the school. The original allowances were \$50 a month for a single veteran in full-time training or education; with dependents, \$75 a month. These rates were raised several times, the last to \$75 for a single student, \$105 with one dependent, and \$120 with two or more. Half- and three-quarter-time students received the exact fractional proportion of full-time allowances. New entry to this program ceased on July 25, 1951.

The program for veterans of the Korean conflict paid somewhat higher rates to the student, who was then responsible for paying his own tuition and other costs. A single veteran in a full-time course received \$110 a month, \$135 with one dependent, and \$160 a month

with two or more. For three-quarter-time study the rates were \$80, \$100, and \$120; and for half-time \$50, \$60, and \$80. New entry to this program ceased on January 31, 1965.

Under the current (Viet Nam) program, allowances became payable for up to 36 months beginning June 1, 1966. Eligible are veterans with active duty from February 1, 1955 on. The allowances, from which tuition and other costs of the training are to be paid, range from \$50 a month for a half-time student without dependents to \$150 a month for full-time students with two or more dependents. Less than half-time study is reimbursed by small amounts covering only actual tuition and fees. A new feature is the "cooperative" full-time program in which institutional courses alternate with supplemental business or industrial training. Allowances for "cooperative" education range from \$80 a month with no dependents, to \$120 with two or more.

About 11 million individuals participated in the veterans' education programs at a total cost to the government of more than \$19 billion to the end of fiscal year 1966. About \$14.5 billion was spent for World War II veterans and about \$4.5 billion for Korea-period veterans. Although benefits for post-Korea and Viet Nam servicemen began only at the end of the fiscal and school year, a sizable number had already taken summer-school courses under its provisions, and a still larger number was enrolled for the 1966-67 school year.

The children's education assistance program started in 1956 when allowances were made available to orphans of servicemen and veterans who die or have died of causes related to service in World War I, II, or Korea. In 1964 eligibility was extended to children of living veterans who were permanently and totally disabled in these wars. In 1965 the program was extended to children of induction-period veterans, and in 1966 to children of veterans with any service after the beginning of the Spanish-American War. Allowances in the beginning were \$100 a month for full-time post-secondary school study, \$80 for three-quarter-time, and \$50 for half-time schooling for eligible children aged 18 to 23. Monthly allowances were raised in 1965 to \$130 for full-time study, \$95 for three-quar-

⁵ The original "GI Bill," Public Law 78-346, June 22, 1944, as amended.

⁶ Under Public Law 82-558, July 16, 1952, as amended.

⁷ Public Law 89-368, March 3, 1966.

⁸ Under Public Law 84-634, June 29, 1956, as amended.

ter time, and \$60 for half-time enrollment.

By the end of fiscal year 1966, 147,200 sons and daughters of deceased (128,800) and disabled (18,400) veterans had applied for training, and a total of \$172 million had been expended in allowances.

NATURE OF EXPENDITURES

All program expenditures for education are included in the social welfare series. These include Veterans Administration expenditures for: (1) subsistence allowances, tuition and fees, and supplies and equipment under the original "GI Bill" for World War II veterans; (2) allowances under the Korea extension of that legislation and under the new post-Korea extension; and (3) educational assistance allowances to veterans' children and orphans.

In addition to program expenditures, the data include allocated and unallocated administrative expenses incurred by the Veterans Administration during the operation of the education program, and administrative expenses of educational institutions for reporting and certifying in connection with the program. This last-named is a quite minor sum of \$240,000 for the first 11 months of fiscal year 1966; it was discontinued by law as of May 31, 1966.

SOURCE OF DATA

The Veterans Administration furnishes all data on educational programs and administrative expenses. Total unallocated administrative expenses of the VA are allocated among the functions by the Social Security Administration as described above (see page 131).

Life Insurance (Federal)

Since World War I the Federal Government has made available to service personnel term life insurance policies, usually convertible at a later date to permanent plans.¹ The several programs are tabulated on page 139. Death and disability benefits are paid under all programs, and, where applicable, the proceeds of matured endowments. The face value of policies may range, at the serviceman's choice, from a minimum of \$1,000 up to a maximum of \$10,000² purchasable in \$1,000 units. Premium rates are established according to standard mortality tables at appropriate rates of interest; the Federal Government pays from appropriated funds for the extra hazard to life and limb entailed in wartime military service. "Automatic" insurance, paying death benefits only, is provided under several of the programs for service personnel who die or are disabled in line of duty before they have had time to

take out policies, generally within 120 days of induction. All but one of the service insurance programs are administered by the Veterans Administration. None of the benefits requires a means test.

The tabulation on page 139 contains the names of the individual insurance programs, the dates during which each was available and the general period of service—usually wartime—during which they were intended to provide protection.

NATURE OF EXPENDITURES

For each of the insurance programs tabulated, except the original War Risk Insurance and Servicemen's Group Life Insurance, a trust fund was established. The trust funds receive the premium payments and government extra-hazard payments, invest them in Treasury securities at interest, and pay the benefits as they become due. The war risk premiums are credited to, and the program payments debited to, the Veterans Administration military and naval insurance appropriation, from which also

¹ It is possible to carry as much as \$10,000 of Servicemen's Group Life Insurance (see page 140) and an additional \$10,000 in one or more of the other veterans' insurances.

come the extra-hazard payments to all the insurance trust funds. Servicemen's Indemnity and Death Gratuity benefits also are paid out of the appropriated funds of the administering agency.

The service insurance programs provide death benefits, disability benefits (including premiums waived for total disability), and payments of the face value of matured endowment policies. All such payments are included in the social welfare expenditure statistics. All permanent-type policies (i.e., all policies other than term) also have cash surrender and policy loan values. The proceeds of these are not included in the social welfare expenditure series, the cash surrender values being regarded as merely the return of premiums paid less the cost of insuring life to the surrender date, and

the loans being excluded by definition.

Two programs, USGLI and NSLI (but not the reopened NSLI), are "participating" programs. Policyholders are eligible for dividends such as are available to policyholders in mutual companies selling commercial life insurance. Dividends can be regarded conceptually as either gratuitous additional benefits of an insurance program or as the return of contributions in excess of the sum that claims experience indicates has actually been required. Although there is a certain weight to the gratuitous benefit rationale, the social welfare series excludes dividends from insurance benefits.

Proceeds of one insurance program are excluded altogether: Servicemen's Group Life Insurance (SGLI), the only program currently

Servicemen's And Veteran's Life Insurance Programs

Program

Availability

World War I

War Risk Insurance

October 28, 1917, thru June 7, 1924, for persons on active duty.

United States Government Life Insurance (USGLI)

January 1, 1919, thru April 25, 1951, on conversion of War Risk Insurance and during certain periods to active duty personnel and WW I veterans.

World War II

National Service Life Insurance (NSLI)

October 8, 1940, thru April 25, 1951, for active duty personnel and WW II veterans.

Korea

Servicemen's Indemnity

April 25, 1951, thru December 31, 1956, automatic coverage for active duty personnel.

Veterans Special Life Insurance (VSLI)

April 25, 1951, thru December 31, 1956, for veterans separated between those dates.

Service-Disabled Veterans Life Insurance (SDVLI)

April 25, 1951, and continuing for veterans separated after that date with service disabilities.

World War II and Korea Reopening

Service-Disabled Standard

May 1, 1965, thru May 2, 1966, for veterans previously eligible for NSLI or VSLI.

Service-Disabled Rated

Nonservice-Disabled

Death Gratuity

\$5,000 gratuity for certain active duty deaths occurring after December 31, 1956, and before September 29, 1965.

Servicemen's Group Life Insurance (SGLI)

September 29, 1965, and continuing.

generally available to the Armed Forces.¹⁰ This insurance is handled exclusively by commercial carriers. The Prudential Insurance Company of America is the primary insurer and administrator, reimbursing itself for its administrative expenses from premium income; other private insurance companies act as reinsurers. The Federal Government reimburses the companies for any excess mortality costs for soldiers killed during or because of military service. All death claims go through appropriate service channels and those of the company; the Veterans Administration handles neither claims nor payments. After a serviceman has been separated from active duty, SGLI is convertible without medical examination to an individual insurance policy with a commercial company.

The program is excluded from the series because the Federal Government does not underwrite the risk (except for the extra war hazard) under these group policies. For the same reason, in other parts of the social welfare expenditure series, the Federal employees' life and health insurance benefits are excluded.

Thought was given to including as a social welfare expenditure that part of SGLI benefits financed by the government's war-hazard payments. The idea was dismissed because of the difficulty, amounting to impossibility, of determining, as this new insurance program goes along, exactly which part of which benefit payment in which year was attributable to war risk as opposed to normal morbidity and mortality risks.

Two programs are included in the insurance group—Servicemen's Indemnity and Death Gratuity—that provide death benefits in lieu

¹⁰ SGLI is also available to members of the other uniformed services—members of the peacetime commissioned corps of the Public Health Service, the Environmental Science Services Administration, and the Coast Guard—in distinction to the other insurances that were open to these personnel only in wartime when they were assimilated into and formed part of the Armed Forces.

SGLI is automatic and available regardless of whether the serviceman already holds GI insurance in any amount under any other government program. Unless specifically rejected in whole or in part (\$5,000), each serviceman is insured for \$10,000 and the monthly premium of \$2 (or \$1 for a \$5,000 policy, the only alternative) is automatically deducted from his pay.

of life insurance for service deaths during periods in which no government life insurance was available to servicemen. The Servicemen's Indemnity program relates to the Korean period. The Death Gratuity program was authorized by the same legislation¹¹ that established the SGLI program, but as a separate, interim coverage program for the period January 1, 1957 through September 28, 1965. Both programs are comparable in concept to the automatic features of the insurance programs for death before the servicemen had a chance to take out a policy.

Administrative expenses of the Veterans Administration for the entire insurance operation are included, largely because it is difficult or impossible to subdivide these expenditures by insurance program after the programs began to proliferate from 1940 onward. No administrative expenses are charged to the several trust funds; by law most of them are chargeable to the Veterans Administration operating appropriation, but not separately. Costs of administering the reopened NSLI is a charge to the insured and is calculated in setting premium rates.

SOURCE OF DATA AND LIMITATIONS

The Veterans Administration is the source of all data on insurance benefits and administrative expenditures. Some of the benefit data are from published sources, some are not. All were furnished by the Insurance Service of the VA, as were the estimates of allocated administrative expenses for the insurance function from fiscal year 1941. The Insurance Service reports that for all years before 1941 administrative expenses for the insurance operation are not available. Consequently, these have been estimated by the Social Security Administration as an appropriate portion of total Veterans Administration administrative expenses.

PROGRAM DEVELOPMENTS

In 1929 the insurance program consisted only of USGLI—the type of policy issued to World War I veterans and those who served in the

¹¹ Section 3 of Public Law 89-214, September 29, 1965.

Armed Forces until October 8, 1940. At the beginning of the year 660,000 policies were in force. Since that date the program has been extended to include new insurances for each of the armed conflicts in which the United States has found itself. Certain liberalizations have occurred in policy terms of the older insurances.

The insurance program hit its coverage peak in 1945 when the majority of World War II veterans were discharged from service. At that time there were about 16 million policies in force. Benefit payments were not yet at peak; they were running at about \$184 million annually. Shortly after the demobilization many policies lapsed for nonpayment of premium. From 1946 until the reopening of NSLI in 1965, the volume of policies in force has remained fairly constant, but benefits increased steadily until 1952, when they peaked at \$489 million. By fiscal year 1966, they had decreased to \$425 million.

Total disability income provisions became available on an optional basis to NSLI policyholders in 1946. For total disability before age 60 the benefit was \$5 a month for each \$1,000 of life insurance. About 87,000 policyholders added such riders to their policies. In November 1958 the \$5 benefit was raised to \$10 a month for each \$1,000, and the same benefit could be attached to VSLI policies of the Korea period. With the increased benefit the riders rose to about 785,000. Effective in January 1965, a new total disability income provision with coverage up to the 65th birthday became available. In the first 6 months about 135,000 policyholders changed from the age-60 to age-65 riders.

A similar disability provision for USGLI

policyholders, first made available in 1928, provides a benefit of \$5.75 per \$1,000 insurance for total disability before age 65. About 9,000 policies contain such provisions.

All NSLI policies contain a provision for waiver of premium payment upon total disability, originally limited to disability before age 60, changed in January 1965 to before age 65. A new NSLI modified life plan of insurance became available on May 1, 1965 which provides a lifetime level premium lower than other permanent plans. The face amount is reduced by one-half at age 65, and the "lost" half can be replaced at the same time (and only then) by the same amount of ordinary life insurance for an extra premium. About 3,000 policyholders converted their term insurance to the new plan in the first 2 months it was available. Other permanent plans can also be converted to the modified life plan.

The peak year of policies in force is not necessarily—in fact, not usually—the peak year of insurance benefits paid. The latter is, rather, a function of the age and physical impairment of the insured, the distribution of policies by plan (term, ordinary life, endowment) and time elapsed since the war for which each program was instituted. For the older insurance programs the year of highest benefits and the amount of benefits paid then and in fiscal year 1966 were as follows:

Type of insurance	Peak fiscal year	Annual benefits paid in fiscal years (in millions)	
		At peak	1966
War Risk	1932	\$118	\$2
USGLI	1958	72	58
NSLI	1952	421	329
VSLI	1966	8	8

Welfare and Other (Federal)

In addition to the cash and service benefits described in previous sections, veterans also receive benefits under nine miscellaneous programs that are here categorized as "Welfare and other" programs. They are: (1) adjusted

service certificates, (2) domiciliary care, (3) beneficiaries' travel, (4) vocational rehabilitation, (5) counseling, (6) loan guaranty gratuities, (7) automobiles for the disabled, (8) specially adapted homes, and (9) invalid lifts.

A description of each program plus a brief statement of program developments will be given first, followed by a general subsection on the nature of expenditures and the sources of data for the whole group.

ADJUSTED SERVICE CERTIFICATES

The adjusted service certificate program for veterans of World War I became a depression bonus program in the mid-thirties although that was not its original purpose. Under the original legislation (Public Law 120, 68th Congress, May 19, 1924) each veteran was given "adjusted service credit" of \$1.25 for each day of overseas service with a maximum of \$625, and \$1.00 for each day of home service with a maximum of \$500. The veteran received cash adjusted service pay for credit totaling \$50 or less. For credit of more than \$50, he got an adjusted service certificate in the form of a 20-year nonparticipating endowment insurance policy with a face value of 25 percent more than the amount of his adjusted service credit.

Policies incorporated loan features through normal banking channels. If a veteran failed to pay principal and interest on his policy loans, the VA could (and did) pay it in full from the USGLI trust fund, chargeable eventually to the veteran, with interest, from the proceeds of the policy. Proceeds of the policies were Federal and State tax free and were not subject to attachment or seizure under process. The program was financed by appropriation of general funds to a specially created trust fund. The original cut-off date for applications was January 1, 1928; it was extended, successively, to January 2, 1930, 1935, and 1940.

In May 1932, veterans from all over the country converged on Washington, D.C., in a "bonus march." At its unsuccessful conclusion many impoverished participants had no money to pay their way home. Congress authorized "loans" for this purpose from the adjusted compensation appropriation. These loans were never repaid and there was never any attempt made at collection. In fiscal years 1933 and 1934 about \$76,100 was so disbursed. This sum is regarded as an expenditure and is included as part of the adjusted service certificate expenditures for the respective years. On January 27, 1936, legis-

lation was approved for "the immediate payment of World War adjusted service certificates, for the cancellation of unpaid interest accrued on loans secured by such certificates . . ." as the title to Public Law No. 425 (74th Congress) reads. Veterans were to be paid the face value of their policies, less any policy loans outstanding, in the form of 3 percent Treasury bonds of 10-year maturity but redeemable at any time at full face value. The USGLI trust fund was to be repaid for the acceptances.

As a result of this law, 3.5 million veterans became eligible to receive a total payment of \$3.45 billion by June 15, 1936—4½ months after passage. By this date 3.2 million applications, 98.9 percent of the number received, had been certified by the Veterans Administration to the Treasury Department. Of the \$3.8 billion paid out from fiscal year 1925 to the present, \$3.2 billion was paid out in fiscal 1936, all but about \$25 million in the last 4½ months of that year. By the year 1948 payments had dropped below \$1 million a year; in fiscal year 1963 they first fell below \$100,000; and in 1966 they amounted to about \$70,000.

Adjusted service and dependent pay (to individuals with less than \$50 credit), of course, has been a much smaller item over the years. It rose from \$3 million the first year to \$10 million in fiscal year 1928, and dropped to \$6 million in 1929 as the social welfare series picks it up. By 1939 it was down to \$1 million. In 1949, when it began to be paid from the compensation and pension appropriation, this pay amounted to \$14,000. It currently amounts to a trickle of about \$1,000 a year.

DOMICILIARY CARE

Domiciliary care is the oldest of the Federal service benefits available to veterans, hospital care not excepted; it dates from 1811. Eligible veterans unable to earn a living because of permanent or chronic disability and without adequate means of support can be housed and provided with incidental medical care at domiciliary facilities operated by the Veterans Administration. Residents, called "members" rather than patients, must be ambulatory and generally able to take care of themselves. The

care emphasizes rehabilitation and return to the community rather than reliance on institutional living.

By 1931, according to its 30th anniversary *Annual Report* (pp. 12-13), "the Veterans Administration operated 11 domiciliaries (referred to then as National Homes) with a capacity of 15,500 domiciliary beds and 7,400 hospital beds; of the latter beds, almost 2,300 were available to VA patients, and the remainder to VA domiciliary members. At the end of fiscal year 1961, Veterans Administration operated 18 domiciliaries, having a capacity of more than 17,000 domiciliary beds.

"Domiciliary care in fiscal year 1931 was provided to an average daily load of 19,500 members, 14,300 of whom were in VA domiciliaries and 5,200 in State homes. In fiscal year 1961, the average daily VA member load was over 26,000, of whom almost 17,000 were in VA domiciliaries and over 9,000 in State homes."

At the end of fiscal year 1966, the VA was operating 16 domiciliary homes, and had opened one restoration center in 1961 and another in 1964. The average member load was 13,090 in the homes and about 195 in the centers.

Since 1888 the Federal Government has contributed half the cost of keeping disabled veterans in State and territorial homes. At the beginning, a maximum of \$100 a year was paid for each soldier or sailor cared for. As costs increased, the Federal per capita payment to the State homes was raised from time to time until it reached \$700 a year for each veteran, less half of any pension amount the State home withholds from members. In July 1960, the \$700 maximum per member was revised so that State homes receive half the cost up to a maximum of \$2.50 for each day of care provided eligible veterans. At that time, 28 States were operating 38 State homes; the same number were in operation at the end of fiscal year 1966.

BENEFICIARIES' TRAVEL

Government transportation may be authorized to the nearest VA or other suitable hospital for treatment of the veteran's service-connected disabilities and, following treatment, back to his home. Transportation may also be provided veterans for the treatment of non-

service-connected disabilities provided they state under oath that they are unable to pay their own fares.

VOCATIONAL REHABILITATION

Service-disabled veterans of World War II and subsequent service are eligible for up to 48 months of vocational training to prepare them for suitable gainful work after they have been brought to medical feasibility for training. Veteran-trainees in full-time institutional courses are paid \$110 a month (\$150 with one dependent, \$175 with two or more). Veterans in farm, apprentice, or other on-job training are paid \$95 a month (\$125 with one dependent, \$150 with two or more). Loans of up to \$100 are available as training starts, to be repaid from subsequent subsistence or pension payments. Tuition, fees, books, and supplies are paid for by the Veterans Administration.

Vocational rehabilitation for World War I veterans ended in 1928, just prior to the start of the social welfare expenditure series. It appears first in the series in 1945. Statutory authority for the current program is Public Law 16, 78th Congress, 1943, although a rudimentary program had been initiated earlier in the war.

By the close of fiscal year 1966, a total of 709,100 disabled veterans had entered vocational rehabilitation training. Of these, 619,600 had been World War II veterans, 74,400 Korea veterans, and 15,100 veterans of peacetime service. The period for taking vocational rehabilitation training ended for World War II veterans on July 25, 1965, except for some few blind veterans who have until July 1975 to begin instruction.

The major emphasis in most recent years has been rehabilitation of home-bound veterans who cannot travel to school. The Veterans Administration locates instructors, equips the seriously disabled veteran's home, and helps to develop a market for his goods or services or establish his business in the community.

COUNSELING

In connection with the programs of vocational rehabilitation, vocational education and training, and "readjustment" and other education benefits, veterans and veterans' children and

orphans have access to the services of testing and guidance counselors. The Veterans Administration employs a staff of professional counseling and guidance personnel. It also has contracts with established university and other nonprofit guidance centers to provide counseling and testing services on a reimbursable basis.

Disabled veterans entitled to vocational rehabilitation are assisted in developing rehabilitation plans compatible with their disabilities and in accord with individual interest, aptitudes, and residual abilities. VA counselors also contact servicemen in Armed Forces hospitals who are about to be separated due to service-connected disabilities to advise with them about vocational rehabilitation.

Veterans' orphans and, since 1964, the children of living disabled veterans are provided testing and counseling services and helped to choose appropriate objectives and submit educational plans for their attainment. When each eligible child reaches age 13 the VA brings to the attention of parents or guardians the importance of planning the high school course as a foundation for later education. Counselors are available for consultation with the parents and guardians as necessary.

The services were initiated for, and mainly have been used by, veterans during their preparation and study under the original "GI Bill," the Servicemen's Readjustment Act of 1944, and its Korea extension, the Veterans Readjustment Assistance Act of 1952.

The cost to the Veterans Administration of providing counseling services reached its peak in 1947, 2 years after the first expenditures were made. From that peak of \$6.8 million, the expenditures gradually diminished to a low of \$251,000 in 1961. Currently, expenditures for counseling are in the neighborhood of \$1 million, almost entirely for the vocational rehabilitatees and children of living or deceased veterans.

LOAN GUARANTY GRATUITIES

The Veterans Administration guarantees loans to help veterans and unremarried widows of World War II and Korea veterans obtain credit to buy or build homes or start and operate business and farm ventures. The program is

designed to substitute the credit of the United States Government for usually required down payments and induce private lenders to loan money to veterans on relatively favorable terms. As an alternate to the guaranty of loans qualified lenders may have loans insured.

The "GI loan" program came into existence in 1944 as part of the Servicemen's Readjustment Act. In 1952 the "Korea GI Bill" extended loan guaranty to veterans of that conflict. Phase-out of eligibility was established in 1961 by Public Law 87-84: World War II veterans' eligibility ended on July 25, 1967; that of Korea veterans will end on January 31, 1975.

To get the veteran off to a good start on his payments, the VA made him a gift of the first year's interest on his loan (which would be by far the largest part of any first payment on a housing loan). The VA interest payments are known as the "4-percent gratuities," and were never made for more than 4 percent even after the maximum rate was raised. These are the amounts included in the social welfare expenditure series. In total, about \$404 million of 4-percent gratuities were paid. The largest year was 1947 (\$73 million); the last sizeable year was 1954 (\$25 million) as Congress discontinued the program after September 1, 1953. A tiny trickle was paid until 1965 but only on the basis of prior commitments by the VA.

AUTOMOBILES FOR THE DISABLED

A veteran of World War II or Korea whose compensable service-connected disability makes a standard automobile impractical may get a VA grant to buy a car specially adapted to his needs, or another type of conveyance, e.g., motorized wheelchair. The VA will pay up to \$1,600 toward the initial purchase of the vehicle, including special fittings or adaptations. It does not assist with upkeep or replacement.

From 1946, when the program started, to the end of fiscal year 1966, about 49,340 veterans have been grantees. A total of \$79.4 million was disbursed for vehicles, mostly automobiles.

SPECIALLY ADAPTED HOMES

Any eligible veteran with a permanent and total locomotor disability resulting from serv-

ice after April 20, 1898 (Spanish-American War) is entitled to financial assistance in acquiring housing specially adapted to his needs. Assistance takes the form of a grant of half the purchase price of a dwelling, with a \$10,000 maximum. A veteran who already owns a home may be helped to reduce the mortgage or install suitable alterations.

Only one grant may be made to each eligible veteran; that part of the cost not covered by the grant often can be financed through a guaranteed loan. Technical aid is also available through the VA in the form of model plans and specifications that incorporate such features as wide doors and ramps for wheelchairs, exercise facilities, and special fixtures adapted to individual needs.

The program began in 1948. Since then almost 11,000 veterans have been determined eligible up to the end of fiscal year 1966, and almost 8,800 grants have been made at a total cost of \$84 million.

INVALID LIFTS

If the need is medically indicated, any pensionable veteran may get an invalid lift from the Veterans Administration. In addition, he is eligible to receive any medical equipment or supplies he needs, but not medicines or drugs.

The program began in 1961; the supplies and equipment aspect was added in 1964. To the end of fiscal year 1966, about \$308,000 had been expended on the lifts and other devices. The funds for this program come from the pension and compensation appropriation.

NATURE OF EXPENDITURES AND THE SOURCE OF DATA

As with the other Federal veterans' programs, the data include all program expenditures for each welfare program and the administrative expenses allocated to each program, plus the pro rata share of the unallocated administrative expenses. The allocation of these administrative costs is made by the Social Security Administration, as described above.

Welfare and Other (State)

In addition to the cash bonuses paid World War II veterans, the States have provided a variety of cash and service benefits to them and to other veterans. Cash payments include—or in the past have included—State pensions, miscellaneous payments to veterans' organizations, as well as payments specifically based on need and subsidies to student veterans and others, not based on need. In some States, payments were made to Confederate veterans of the Civil War and to their survivors, as well as to veterans of the Armed Forces of the United States.

Service benefits include domiciliary care in State and territorial homes (see Domiciliary Care, in the Federal section), programs of veterans' information and guidance, and certain other veterans' services not classified as welfare, education, or hospital care. Administration of bonuses and readjustment allowances are included as services.

Until 1963 the State bonus payments were by far the major part of State expenditures for

veterans. Other expenditures have run about \$15-\$20 million since 1950, less before then. Cash bonus payments have been made to veterans of World War II by State governments in every fiscal year since 1946, when Massachusetts, New Hampshire, and Vermont gave a total of \$47 million to their demobilized servicemen and servicewomen. The largest number of States ever participating in this type of program at one time was 19 States in fiscal year 1952. A total of 22 States, all told, had bonus programs at some time. Outlays peaked in fiscal year 1948 at \$616 million; the low point was reached in 1965 when only seven States¹¹ were still paying bonuses, at the rate of a half-million dollars a year. In 1966, as a result of hostilities in Viet Nam, nine States were involved with the bonus, and payments more than doubled.

¹¹ Illinois, Indiana, Massachusetts, New York, Oregon, Pennsylvania, and Rhode Island.

The bonuses were one-time, flat-rate payments, with an extra amount in some States for overseas service (e.g., New York paid \$150 for Stateside service, \$250 for foreign service). The only eligibility test in most of the States is that the veteran must have been a bona fide resident of, and must have enlisted from, the State paying the bonus. There is no means test. All, or almost all, the States that paid bonuses did so by issuing bonds to raise the money. In the early 1950s, the bonded indebtedness of the bonus-paying States for this purpose stood at close to \$2 billion; at the end of 1966, \$557 million was still outstanding.

SOURCE AND LIMITATIONS OF DATA

All data on State expenditures for veterans are taken from the annual *Compendium of State Government Finances*, a publication of the Census of Governments, Bureau of the Census, Department of Commerce, and its predecessor publications. Data for the territories, possessions, and other outlying areas of the United States are excluded from the *State Compendia*. For years prior to 1959, therefore, the data refer to the 48 States and the District of Columbia; they include Alaska from 1959 on and Hawaii from 1960, and since 1960 refer to the 50 States and the District of Columbia. These expenditures are reported from fiscal year 1947 to date as (1) "Veterans' bonuses" and (2) "Other" under a heading "Veterans' services" or in footnotes thereto. Before World

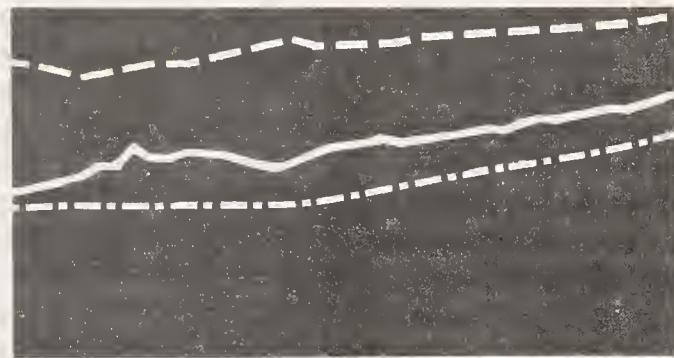
War II, the "Other" expenditures are reported as "Veterans' aid" under the heading "Public assistance," and (1946 only) the bonus payments are found in a footnote (to table 12).

For a few years only, e.g., 1942, expenditures for State homes for veterans are listed separately from "children" and "other" under "care in State institutions" in the public welfare expenditure table of each annual volume. For most years, however, all State welfare institution expenditures are combined into a single total figure for each State. Nor can the figure be arrived at by inference. Even assuming that the Veterans Administration payments of half the cost is always at the permitted maximum, it does not follow that the other half represents the sum of all State home expenditures. The VA pays only for the care of veterans themselves, not for the care of their widows or orphans. Some of the State homes care for survivors as well as for veterans, and others (five in as many States, in fiscal year 1966) care only for non-compensable individuals: children, and members and widows of members of the Confederate Armed Forces.

For these reasons the State homes for veterans have been left as part of the State welfare institutions and are reported with State institutional care in another part of the social welfare expenditures than State veterans' programs. (Federal expenditures for State homes are reported, as stated above, with veterans' "Welfare and other" programs.)

Chapter 5

EDUCATION



PREVIEW

PUBLIC EDUCATION in the United States started out as a local responsibility and only later became a function of State as well as local governments. State-local is still the prevailing expenditure pattern despite a Federal participation that dates from the Northwest Ordinance of 1785. As late as 1929, the first year of the social welfare expenditure series, Federal funds amounted to but 1.5 percent of the \$2.4 billion spent on public education. By 1966, however, the Federal Government was paying 14 percent of an education bill of \$32.6 billion. The detail of that growth, and its acceleration in the post-World War II era, is set forth in this chapter.

DEVELOPMENT OF PUBLIC EDUCATION IN THE U.S.

The high value placed on education by the American people is reflected in the substantial and increasing proportions of public, as well as private, resources devoted to supporting education.

The administration and financial support of public education has been a traditional function and legal responsibility of the States and local government. Over the years, the States have established local and consolidated school districts that operate free public elementary and secondary schools, as well as a system of low-tuition, publicly controlled institutions of higher education.

By 1890 the United States had a well-developed system of public primary education. Compulsory school attendance laws were still few in number, however, and the rather widespread use and acceptance of child labor held down attendance in many areas. Thus, even though tax support for high schools had begun in the 1870s, the real development of public secondary education came after 1900. Following World War I, public expenditures brought further expansion in secondary school education. With the development of public support for higher education, the present-day public education system gradually, but steadily, emerged.

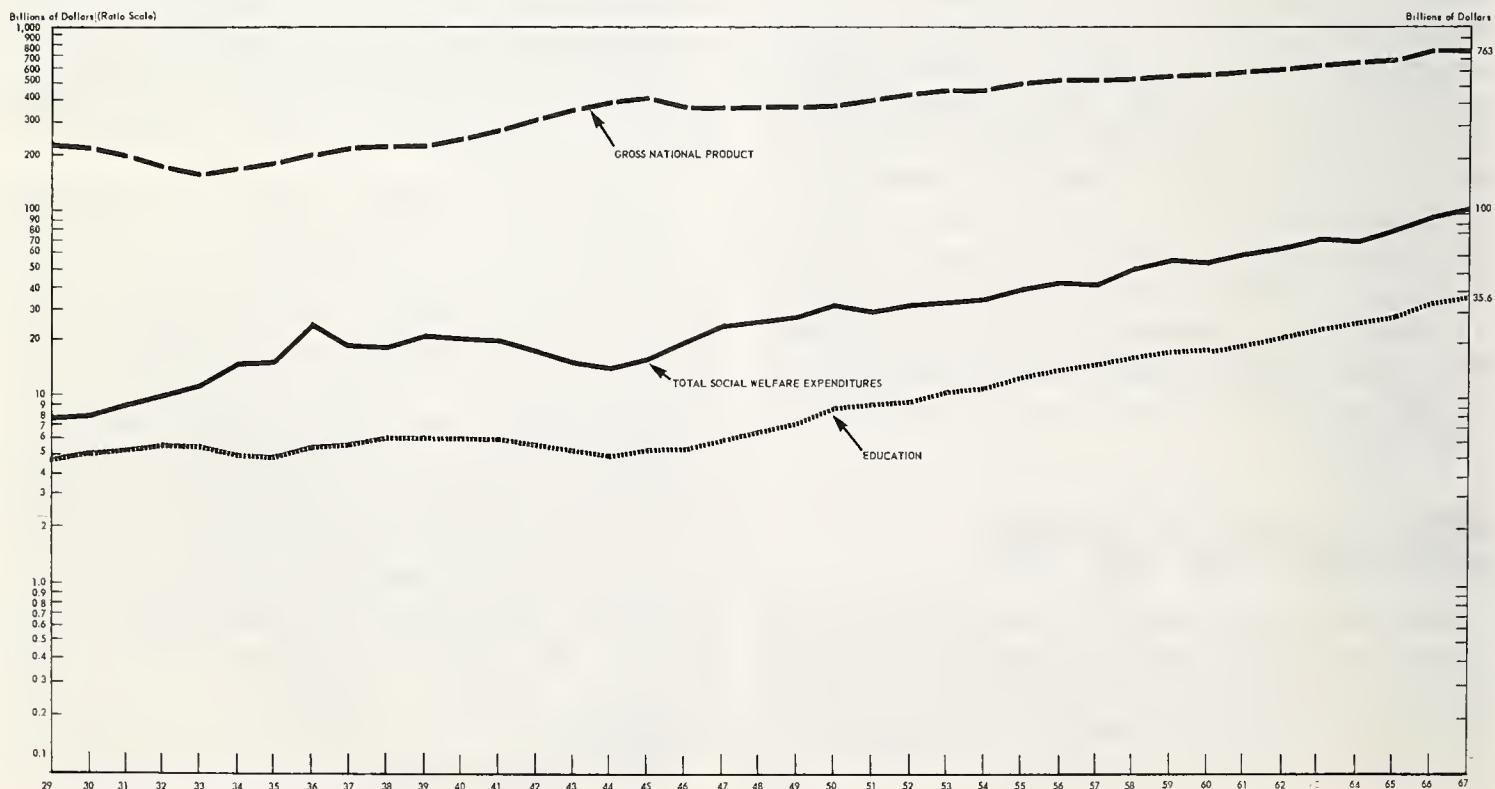
While the financing of education has been pre-

dominantly a State and local concern, Federal assistance for education dates back to the allocation of public lands for support of schools in 1785.¹ As new States entered the Union, land was granted by the Federal Government to be used in part for the benefit of schools. The historical development of Federal programs in support of education has been marked by many milestones. The first Morrill Act of 1862 authorized cash grants for the establishment of land-grant colleges. The Hatch Act of 1887 established a system of agricultural experiment stations in the land grant institutions. The Smith-Lever Act of 1914 authorized grants for agricultural extension work. The Smith-Hughes Act of 1917 authorized grants to States for the support of vocational education. The Lanham Act of 1940 authorized Federal aid for construction, maintenance, and operation of schools in Federally affected areas.

It was not until after World War II, however,

that the Federal Government began to develop a more comprehensive support program for all levels of education. Establishment of the National Science Foundation in 1950 developed into an across-the-board promotion of the sciences at all academic levels. Following the first "sputnik" in 1957, congressional concern over the large shortages of manpower trained in mathematics, science, and modern foreign languages was largely responsible for the enactment of the National Defense Education Act of 1958. It authorized a variety of support programs for elementary-secondary and college level education. The Federal Government has long been financially active in providing vocational training for school-age youth. The Area Redevelopment Act of 1961 and the Manpower Development and Training Act of 1962 provided vocational training in new and improved skills for unemployed and underemployed adults. And educational facilities received increased attention under the Health Professions Educational Assistance Act of 1963 and the Higher Education Facilities Act of 1963.

Chart 19.—Gross national product, total social welfare expenditures, and expenditures for education, in constant 1929-67 dollars, 1929-67



The most significant advances in Federal aid for education, however, were made by the 89th Congress. Title I of the Elementary and Secondary Education Act of 1965 authorized more than \$1 billion of Federal funds in 1966 alone to strengthen elementary and secondary education for children from low-income families. The Act also authorized funds for supplementary educational centers and services; and for school library resources, textbooks, and other instructional materials for the classroom. The Higher Education Act of 1965 authorized a major broadening of Federal support of education, including assistance for: (1) community service and continuing education programs; (2) college library resources; (3) strengthening of developing colleges; (4) student assistance on a greatly enlarged scale through educational opportunity grants up to \$1,000, and an expansion and liberalization of the college work-study programs; (5) instructional equipment; (6) liberalization of grants for higher educational facilities; and (7) programs to provide graduate training for school teachers, and for the establishment of a National Teacher Corps, which would serve schools with large concentrations of the poor.

Total government expenditures for education in fiscal year 1966 amounted to \$32.6 billion, more than twice the amount expended only 8 years earlier. From 1929 to the end of World War II, total expenditures ranged from \$2.0 billion to \$3.0 billion, of which 85 to 90 percent represented elementary-secondary school expenditures. With the population explosion and inflation, elementary-secondary school expenditures rose from \$2.8 billion in fiscal year 1946 to \$5.6 billion in 1950, and then doubled again by 1957. In 1966 elementary-secondary education expenditures reached \$25.0 billion. Most of these funds—more than 90 percent—come from State and local sources.

Public expenditures for higher education, as defined here, experienced even a more rapid growth, rising from \$363 million in fiscal year 1946 to \$915 million in 1950, to \$1.6 billion in 1957, and then almost quadrupling to \$6.3 billion in 1966. However, unlike the situation in the elementary-secondary field, where the Federal Government has played a minimal role, a

growing proportion of public expenditures for higher education are coming from the Federal sector.

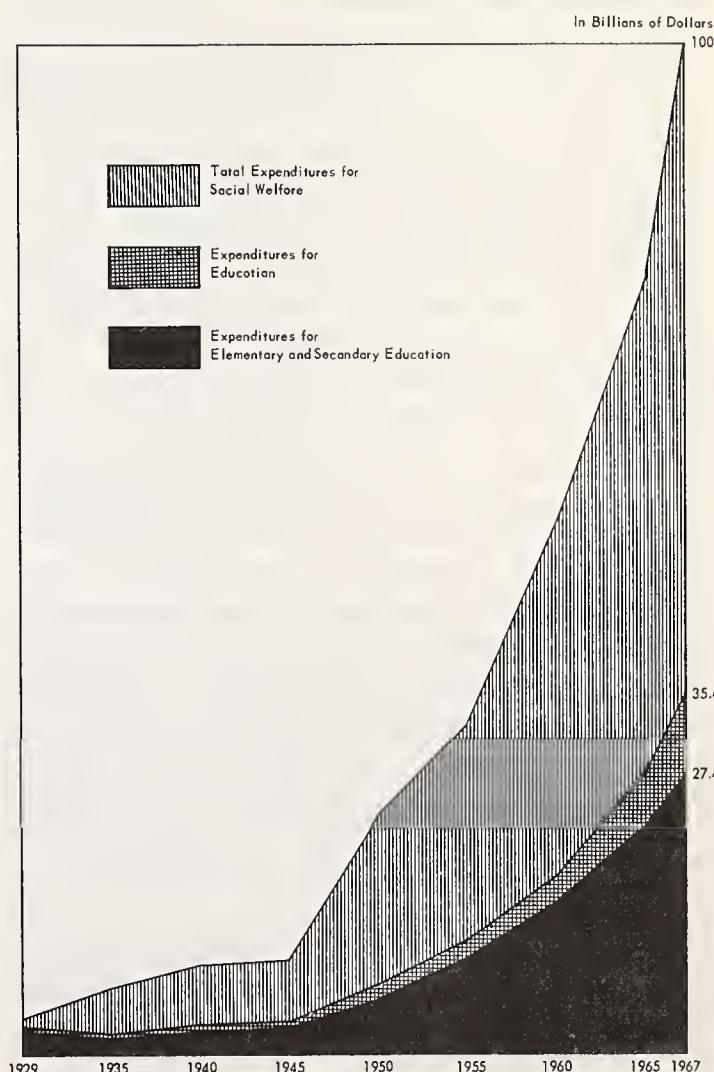
Since 1946, Federal expenditures for education have increased at four times the State and local rate. For construction expenditures, however, the difference in rate of growth has been less than 2 to 1.

Overall, the proportion of total public expenditures provided for education through the Federal government has risen in 20 years from less than 4 to 14 percent.

NATURE OF EXPENDITURES

The boundaries of what should be regarded as expenditures for education can be defined in

Chart 20.—Growth in aggregate dollar amounts of expenditures for total social welfare, education, and elementary-secondary education, 1929-67



several ways. The definition used in the social welfare expenditure series includes: (1) expenditures for the support, maintenance, and operation of local, State, and Federal elementary-secondary, vocational, and higher educational institutions; (2) expenditures for special programs directly concerned with improving the quality of education at any educational level; (3) expenditures for the support of students, such as scholarships, fellowships and training grants; (4) expenditures for the construction of educational facilities; (5) expenditures for educational research and development; and (6) the administrative costs of State and local departments of education and the U.S. Office of Education. In its compilations of Federal funds spent for education,² the Office of Education includes a number of additional types of expenditures that are classified in the social welfare expenditure series under other headings. The following tabulation lists the major Federal programs that appear elsewhere in the social welfare series:

Program	Where classified in social welfare series
Veterans' educational benefits.....	"Veterans' programs."
Economic opportunity programs ^a	"Public aid" and "Other social welfare."
Subsistence cash allowances under Manpower Development and Training Act.	"Unemployment insurance and employment service."
Job placement for high school seniors.	"Unemployment insurance and employment service."
Health-related research facilities....	"Health and medical programs"
Regional medical programs.....	"Health and medical programs."
School meals	"Other social welfare."

^a Refers to programs other than "Head Start," adult basic education, and work-study programs, which are included in the category "Education."

The Office of Education compilations also include some programs that are omitted entirely from the social welfare expenditure series. As used here, educational expenditures are defined as "all programmed expenditures directly concerned with the education of individuals or groups of individuals in U.S. educational

² A summary of the compilation appears in *Digest of Educational Statistics, 1966*, page 94. A more detailed listing appears in a mimeographed release, "Federal funds for education and related activities, fiscal years 1966 and 1967."

institutions."³ This definition specifically excludes: (1) all loan programs and other similar programs that require reimbursement of funds rather than a direct and final expenditure, including all Federal surplus property programs; (2) all in-house and specialized occupational training programs conducted outside of educational institutions and directed solely to employees for the primary purpose of forwarding the operational goals of the employer, e.g., training at the F.B.I. Academy, or in-house military technical training programs;⁴ (3) all expenditures for international education, *except* direct support of U.S. operated schools for the dependents of military personnel overseas, support of schools in U.S. territories and dependencies, and expenditures for foreign students and teachers studying at U.S. educational institutions and for U.S. citizens studying abroad under educational exchange programs; and (4) expenditures for those research and development grants, research fellowships, research traineeships, and research training grants that fall outside the scope of the definition of "educational research and development," as used in the social welfare expenditure series.

"Educational research and development," as used in the series, is defined as systemic scientific investigation directed toward a fuller knowledge and understanding of the process of acquiring and imparting knowledge in an education system—and the practical application of such new knowledge to a school or educational setting. This definition differs somewhat from other commonly used definitions of educational research and development because it is limited to education-oriented research and development (i.e., research and development that is directly concerned with the educational process,

³ Private expenditures for education are not included in this monograph. Nevertheless, both private and public expenditures are included in the regular annual social welfare expenditure article in the *Social Security Bulletin* and the definition given here is intended to encompass both.

⁴ Although these in-house employee training programs are excluded from the education component of the social welfare expenditure series, a few of these programs directly support a social welfare mission and are therefore included in the series under the appropriate category, e.g., the in-house training of State and local welfare workers is included under the "Public aid" category.

per se), while other definitions are based on the premise that all research and development may contribute significantly to knowledge and therefore education—broadly defined.

Under the narrower conceptual approach as used in this series, expenditures for mission-oriented research directed toward non-social welfare objectives are excluded, e.g., military research and space research. Other types of mission-oriented research directed toward social welfare objectives, such as health and medical research, are included elsewhere in the series under categories other than "Education." The use of this narrower concept also avoids the problems of overlap among social welfare categories that would occur with an all-encompassing definition of "research and development."

Following is a list of major programs that are included in the Office of Education compilation but are omitted entirely from the social welfare series:

- Agricultural research facilities
- Nuclear training equipment and courses
- Apprenticeship programs, Labor Department
- Panama Canal Zone school expenditures ^a
- State technical services program, Department of Commerce
- Arts and humanities assistance
- Library services ^b
- Educational television grants ^c
- International education ^d
- Value of surplus property transferred to educational institutions
- Student loan programs
- College housing loans
- Facilities construction and equipment loans
- Loans to private schools

^a Excluded because the Federal Government is reimbursed from local revenues.

^b Grants to public libraries and operating expenses of such national libraries as Library of Congress and National Agricultural Library. National Library of Medicine expenditures are included under "Health and medical programs" in the social welfare series.

^c Grants to colleges and universities for the acquisition of educational television equipment are included under "Higher education" in the social welfare series—all other educational television grants are excluded.

^d AID projects, Peace Corps training, American-sponsored schools abroad for citizens of other countries, and educational allowances to overseas personnel.

In addition to these programs, the "Education" category in the social welfare expenditure series excludes the following Federal in-house and specialized training programs conducted outside of educational institutions: (a) Census training for foreign technicians; (b) meteorological education and training program of the Department of Commerce; (c) training at the F.B.I. National Academy; (d) policy training schools sponsored by the Department of Justice; (e) Internal Revenue Service training for enforcement personnel (Department of Treasury); (f) aviation training programs of the Federal Aviation Agency; (g) civil defense education program of the Department of Defense (except for the school program administered by the Office of Education); (h) training and education programs of the Office of Civil Defense Mobilization; (i) management training program of the Small Business Administration; (j) teaching Federal income tax programs of the Department of Treasury; (k) special schools and courses program of the Atomic Energy Commission; and (l) mine safety training program of the Department of the Interior. Also excluded are all in-service and specialized military service schools (except the five military academies) such as the Armed Forces Industrial College, the Army Psychological Warfare School, the Army Language School, the Air Force Institute of Technology, the U.S. Naval Postgraduate School, all in-service military technical training programs, and other in-service schools, war colleges, or staff colleges operated primarily for in-service training.

In addition, the following in-house programs are excluded from "Education" and classified under other social welfare categories in the series: (a) personnel training and consumer information program of the Food and Drug Administration; (b) training at the Communicable Disease Center (PHS); (c) Public Health Service training in hospitals; (d) training of State and local Public Health Service personnel; (e) St. Elizabeths Hospital staff training (PHS); (f) vocational rehabilitation fellowships and training grants; (g) training of State welfare programs personnel; and (h) training grants for maternal and child health care programs.

Unlike the data on Federal expenditures for

education, State and local data on individual programs are not available. State and local expenditures for education therefore are presented in this series only in terms of aggregates, by level of education. These aggregates, for the most part, are derived from a few basic series compiled by the Office of Education and there is no basis for making determinations as to the inclusion or exclusion of individual items.

DESCRIPTION OF THE PROGRAMS (FEDERAL)

Federal expenditures for education include a wide variety of programs in support of school facilities, school operation, and students that are provided either in the form of grants-in-aid to States and localities or directly to educational institutions and their students. The major programs financed by the Federal Government, with a brief description of each program, are as follows:

Educational Research and Development

Cooperative research (Cooperative Research Act of 1954).—The Office of Education, Bureau of Research, administers a general grant program to broaden the knowledge and improve the quality of education by stimulating and supporting research, survey, demonstration, and dissemination projects in the field of education. Under title IV of the Elementary-Secondary Education Act of 1965, this program was expanded to include regional educational laboratories, research and development centers, and a wide range of project research.

Handicapped children research grants (Mental Retardation Facilities and Community Mental Centers Construction Act of 1963).—Grants are made by the Office of Education to institutions of higher education and to State educational agencies to conduct research in areas directly related to the education of the hard of hearing, speech impaired, visually handicapped, seriously emotionally disturbed, the crippled, the deaf, the mentally retarded, and other health impaired children.

Language development research grants, (NDEA, title VI).—Provides research grants in more effective methods of teaching modern foreign languages and related area studies, and

development of specialized materials for use in such teaching.

Educational media research grants (NDEA, title VII).—Authorizes research and experimentation in the educational uses of television, radio, motion pictures, and other communications media.

Course content improvement grants (NSF).—The National Science Foundation offers grants for the conduct of research and development on the "substance of courses and tools of instruction" that are designed to bring innovation into the schools on improved curriculum and improved teaching aids.

Research facilities and equipment (ESE Act of 1965, title IV).—Provides funds for constructing and equipping federally supported but university operated educational research facilities, educational laboratories and research and development centers.

Elementary-Secondary Education

Shared revenues from public lands.—Revenues from public lands are granted to State and political subdivisions of States for the construction of roads and the operation of schools. In the social welfare expenditure series it is assumed that 50 percent of these funds are used for schools.

Indian education.—Federal funds are available for construction and operation of elementary and secondary schools on Indian reservations, and for payment of tuition for Indian children attending public schools off the reservation.

Assistance in special areas.—Federal funds are used to support or assist elementary and secondary education in several "special" areas. These include the District of Columbia; payments to Dade County, Florida, for Cuban refugee education; special schools for dependents of National Park Service and Atomic Energy Commission personnel; payments in lieu of taxes by the Tennessee Valley Authority and Atomic Energy Commission; and, in earlier years, school assistance at Federal reclamation projects.

Federally affected areas.—Since 1940 Federal funds have been granted to school districts that were unable to absorb without financial aid

substantial numbers of Federal employee dependents. The program grew out of efforts to aid school districts burdened by defense installations and was expanded in 1949 to include other federally affected areas. Federal grants are for the construction, operation, and maintenance of school facilities in school districts that provide free public education to children who either live on or live with a parent employed on Federal property. Where no public schools are available, the Commissioner of Education is required to arrange for free public education for children living on Federal property.

American Printing House for the Blind.—The printing house supplies educational books, materials, and apparatus to individual States for blind children attending public educational institutions, residential schools for the blind, public day school classes for the blind, and individual blind children in regular public schools.

Kendall School.—Federal funds help support the operation of the Kendall School, which provides elementary-secondary education for deaf children as a practice-teaching adjunct and graduate school research laboratory for Gallaudet College.

Territories and dependencies.—Federal funds are used to support and assist elementary-secondary education in various U.S. territories and dependencies. These include American Samoa, the Trust Territory of the Pacific Islands, the Pribilof Islands, certain Pacific islands administered by the Department of Defense and, in earlier years, the Virgin Islands.

Dependents' schools abroad.—Federal funds are used to support regular elementary and secondary schools for dependents of military personnel and, in earlier years, for U.S. citizens stationed overseas as Federal civilian employees.

National Defense Education Act of 1958, as amended.—*Title III* contains provision for assistance at the elementary-secondary levels in the fields of science, mathematics, modern foreign languages, history, civics, geography, economics, English, and reading. Matching grants are made to State educational agencies for strengthening instruction in these fields by (1) the acquisition of equipment and instructional materials and for minor remodeling of laboratories and classrooms, and (2) expansion

and improvement of State supervisory and related services. *Title V* provides grants to States for guidance, counseling, and testing of elementary and secondary school children. *Title X* provides funds to State education agencies to improve their statistical and related services. Training grants in support of institutes for advanced study (*title XI*) and other institutes are included in table 5-6.

Science education.—The National Science Foundation finances a variety of programs directed toward strengthening science education. Programs at the elementary-secondary level include the summer science training for high-ability secondary school students, the visiting scientist program, the traveling science libraries program, the traveling science lectures program, and a number of supplementary projects for students.

Elementary-Secondary Education Act of 1965.—*Title I* provides grants to local areas to meet the special needs of educationally disadvantaged children in areas with high concentrations of low-income families. *Title II* provides financial assistance for the acquisition of school library resources, textbooks, and other printed and published instructional materials for the use of children and teachers in public and private elementary and secondary schools. *Title III* provides for grants to enable schools to provide supplemental services presently unavailable to their children, to raise the quality of educational services already offered, and to stimulate the development of innovative and exemplary elementary and secondary educational programs to serve as models for regular school programs. *Title V* provides for grants (1) to prepare State departments of education for future expansion, (2) for general administrative improvements, (3) for assistance to local school districts, and (4) for improvements in educational statistics and data processing.

Economic opportunity programs.—Project "Head Start," which provides special pre-school education for culturally deprived children of the poor, includes expenditures for medical and dental care, not shown separately.

National Teacher Corps (Higher Education Act of 1965, title V-B).—Provides for specialized training of teachers who will teach in areas having concentrations of low-income

families. This program is closely coordinated with title I of the Elementary-Secondary Education Act of 1965.

Higher Education

Land-grant colleges.—Provides for the endowment of 68 land-grant colleges and universities. Grants are provided to support instruction in the areas of agriculture, mechanical arts, English, mathematics, science, economics, and certain aspects of teacher training.

Howard University.—A federally aided corporation, which also derives funds from endowments, gifts, and student fees.

Gallaudet College.—A federally aided corporation charged with the responsibility of providing education and training for deaf persons. The institution also derives funds from student tuition and fees.

State merchant marine schools.—Receive Federal grants to promote nautical education in several States.

Agriculture experiment stations.—Provides Federal grants for the conduct of original and other research, investigations, and experiments bearing directly on the field of agriculture. Experiment stations are operated as integral units of the land-grant colleges.

U.S. service academies.—Annual grants are made for the support, maintenance, and expansion of the Army, Navy, Air Force, Merchant Marine, and Coast Guard academies.

Educational exchange program.—Provides for teaching and teacher-training grants under an international exchange program authorized by the Fulbright-Hays Act and the Smith-Mundt Act.

Science education (NSF).—Includes grants for the acquisition of up-to-date and other needed instructional equipment for science courses, grants for specialized advanced science education projects, and institutional base grants to selected higher educational institutions for the purpose of strengthening their overall science program and related activities.

Training Federal personnel in civilian institutions.—Grants to individuals or schools from Federal agencies for the training of military and civilian personnel in civilian institutions of higher education.

Fellowships, traineeships, and training grants.—For complete listing of programs included in the series, see table 5-6. All student loan programs are excluded.

Language and area centers (NDEA, title VI).—Federal matching funds provide for the establishment and operation of centers to support new or expanded programs in modern foreign languages not generally taught in this country, and to provide for studies that will enable full understanding of the area in which the language is commonly used. Expenditures for fellowship awards at the undergraduate, graduate, and post-doctoral level are included under the category, "Modern foreign language fellowships" in table 5-6.

Higher Education Act of 1965.—*Title II* provides grants to institutions of higher education to assist in the acquisition of books, periodicals, documents, magnetic tapes, phonograph records, audiovisual and other library materials. Expenditures for fellowships for training of librarians are included under category "Librarian training" in table 5-6. *Title III* provides grants to assist in raising the academic quality of developing institutions through co-operative arrangements between colleges for strengthening programs and exchanging professors and students. *Title IV* provides financial assistance to students through (a) educational opportunity grants to undergraduates with exceptional financial need, and (b) the college work-study program, which provides part-time employment opportunities for financially needy students. The loan programs authorized under this title are excluded from this series. *Title V* provides grants to institutions of higher education to assist in the development and strengthening of graduate teacher training programs. Awards to elementary-secondary teachers for graduate study are included under the category, "Elementary-secondary teacher fellowships" in table 5-6. *Title VI* provides matching grants to higher education institutions for the acquisition of closed-circuit television instruction, laboratory and other special equipment, materials, and related minor remodeling to improve the quality of undergraduate instruction.

Graduate science facilities (NSF).—Provides institutional grants to colleges and universities for the acquisition and construction of special

science facilities for basic research and graduate research training.

Higher Education Facilities Act of 1963.—Provides matching grants for the construction and improvement of academic facilities at colleges, technical institutes, and universities.

Specialized facilities (NASA).—Provides institutional grants to colleges and universities for the acquisition and construction of those special facilities considered most essential for the advancement of student knowledge in the space sciences.

Health Professions Educational Assistance Act of 1963.—Authorizes Public Health Service grants for (a) the construction, replacement, or rehabilitation of teaching facilities for the training of physicians, osteopaths, dentists, professional public health personnel, optometrists, pharmacists, and podiatrists; (b) scholarships to students engaged in the above fields of study; and (c) institutional improvement in the scope and quality of teaching programs.

Vocational and Adult Education

Vocational-technical training.—Federal funds in support of vocational education were first authorized by the Smith-Hughes Act of 1917. It provided for Federal cooperation with the States in their promotion of vocational education in agriculture, trades and industry, home economics, and in the preparation of teachers of these subjects. Federal support of vocational education was later expanded under the George-Dean Act of 1936, the George-Barden Act of 1946, the National Defense Education Act (NDEA) of 1958, and the Vocational Education Act of 1963. The provisions of all four acts are currently contained in titles I, II, and III of the amended George-Barden Act, which provides for grants-in-aid for vocational training in agriculture, home economics, trades and industry, the fishery trades, distributive occupations, health occupations, and for training of highly skilled technicians. The Vocational Education Act of 1963 also authorizes grants to provide part-time employment for young people through work-study programs, and grants to institutions for research projects. Also included here is Appalachian Regional Development Act of 1965, which authorizes grants for construc-

tion of vocational education facilities for the Appalachia region.

Agricultural extension service.—The Department of Agriculture administers this program in cooperation with the land-grant colleges and the county governments for the purpose of providing educational services and instructional activities to rural farm and rural nonfarm families in the general field of agriculture and home economics.

Federal correctional institutions.—The Bureau of Prisons offers a program in education and training for inmates of Federal prisons. The program includes literacy-training classes, State-approved high school classes and some college extension classes, correspondence courses, and State-approved vocational education courses. Diplomas or certificates are issued upon completion of course requirements.

Manpower and Development Training Act (MDTA).—Provides Federal funds for the on-the-job training and supplementary classroom instruction of the unemployed and the under-employed in cooperation with State educational systems and State employment offices. Includes funds expended for similar purposes under the Area Redevelopment Act. Expenditures for trainee subsistence allowances are included under "Unemployment insurance and employment service" in the social insurance chapter.

Civil defense program.—The Office of Education administers a program through the State educational systems designed to instruct adults in civil defense skills and survival measures against manmade or natural disaster.

Adult basic education.—A federally operated program providing grants to the States and State educational systems to improve the basic reading and writing skills of adults unable to find employment because of their functional illiteracy. Originally part of the economic opportunity program, adult basic education was transferred to the Office of Education in 1966.

University community service programs (Higher Education Act of 1965, title I).—Provides funds to help solve community problems in such areas as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land-use by strengthening community service programs of colleges and universities.

REVISIONS OF PUBLISHED DATA

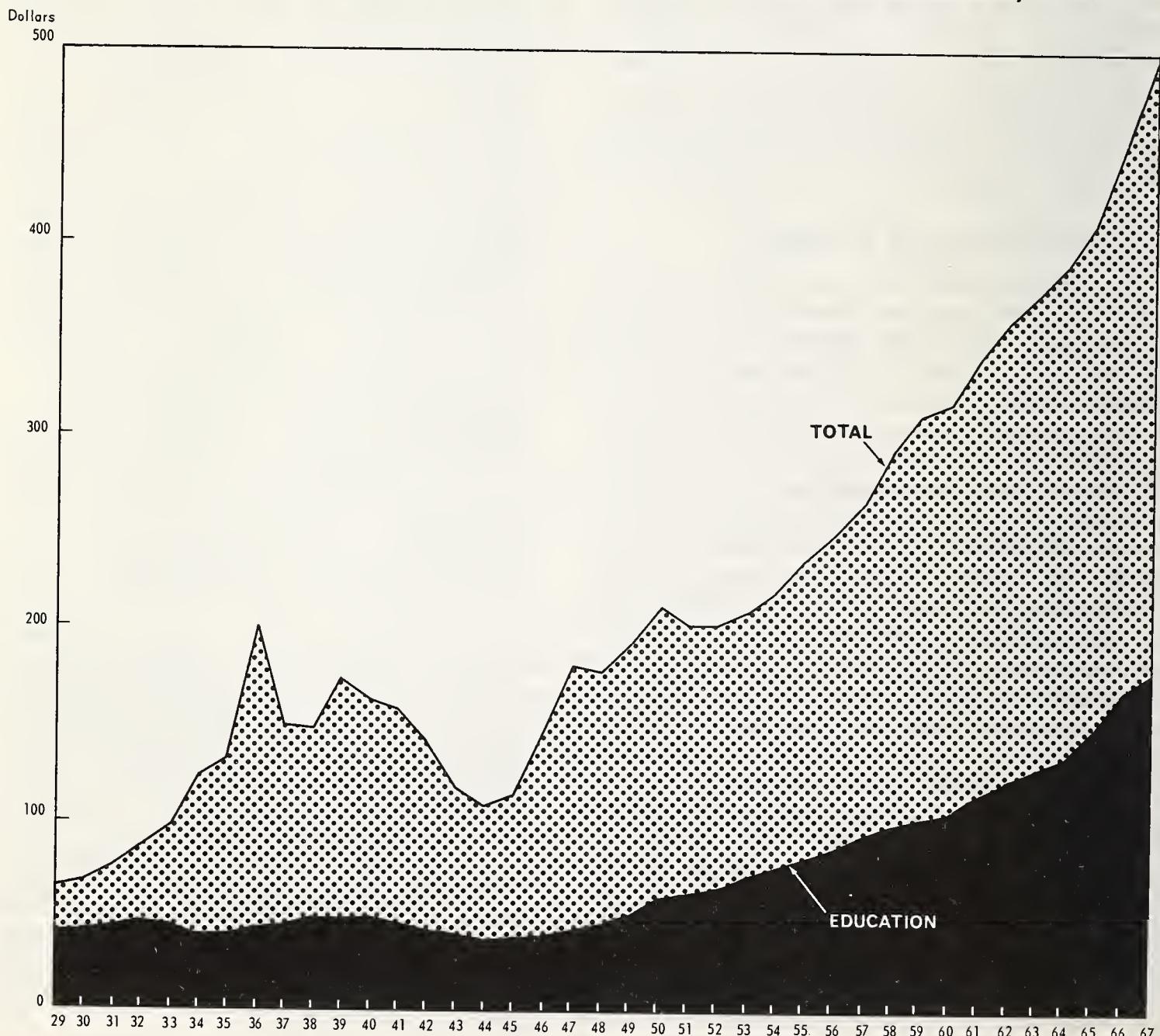
In preparing the detailed data for all years back to 1929, a number of revisions in format and content were made in the data previously published in the annual *Social Security Bulletin* articles. The major format change consists of separating vocational and adult education expenditures from the other categories. Another change, in the Federal sector, is the separate treatment of administrative and research expenditures. Previously, these expenditures were distributed between the major categories of "Elementary and secondary education" and

"Higher and other education." They are now presented in the totals in the summary table and shown separately in the detailed tables.

Almost all the content changes involve the Federal sector. Conceptual revisions in the State and local sector have been minimal, the main refinement being to reduce the number of sources used to derive the figures needed for the series, by employing, wherever possible, continuous and published series of the Office of Education.

The major changes in the Federal sector follow:

Chart 21.—Per capita expenditures in constant 1967 dollars for total social welfare and education, 1929–67



(1) All emergency school operational and construction expenditures of the 1930s, except those of the Public Works Administration, were excluded. These expenditures appear elsewhere in the social welfare series as emergency work relief under the "Other public aid" category.

(2) Estimated Federal expenditures for schools from "shared revenues from public lands" were included for the years 1929-37; they had been previously omitted from the 1935-37 estimates.

(3) Previously omitted expenditures for U.S. service academies were included for the years 1929-37.

(4) Administrative expenses of U.S. Office of Education during the 1930s, previously omitted, were included.

(5) The series was adjusted to exclude certain Federal basic research, research facilities, and development expenditures that are not education-oriented.

(6) The series was adjusted to exclude a number of in-house training programs operated by Federal agencies.

The first change produced extensive downward revisions in the estimated dollar amounts expended for education during the 1930s, only slightly offset by the second, third, or fourth change. The fiscal year 1935 estimate for Federal expenditures, previously published as \$133 million, is now \$53 million, and the 1940 estimate, previously \$162 million is \$75 million.

The last two changes had their major impact on the estimates previously published for the 1960s. More specifically, the higher education estimates for the Federal sector were reduced about one-fourth to one-half as the result of the elimination of many basic research and development programs that are considered beyond the scope of the definition of educational research and development as used in the social welfare series.

As examples of the revisions, the 1960 estimate for the total Federal education expenditures is now \$868 million, compared with the previously published \$1,105 million. The 1964 estimate is now \$1,620 million, as against the earlier estimate of \$2,438 million.

SOURCES OF DATA AND METHODOLOGY

Primary data for the education series are supplied by the Office of Education, Department of Health, Education, and Welfare. For the years prior to 1961, the data were published in the *Biennial Survey of Education in the United States*, and in the *Federal Funds for Education* series, various editions. Since 1961 the data have been published in individual sections of the *Biennial Survey*, or in the annual editions of the *Digest of Educational Statistics* or have appeared in mimeographed releases of the Office of Education, entitled "Federal funds for education and related activities."

Data from these primary sources, however, undergo considerable adjustment to fit the conceptual framework of the social welfare expenditure series. The adjusting process is a joint effort of the staffs of the Office of Education and the Social Security Administration.

Federal Estimates

The education estimates at the Federal level are broken down into three categories: elementary-secondary education, higher education, and vocational and adult education. Separate figures are given on construction expenditures for elementary-secondary and higher education.

For most of the items comprising the Federal series, the data for the years 1942-60 can be obtained from two Office of Education publications, *Federal Government Funds for Education, 1948-49 and 1949-50* and *Federal Funds for Education, 1958-59 and 1959-60*. For years prior to 1942, the *Federal Funds for Education* series is incomplete and had to be supplemented through use of the *U.S. Budget*. Historical data are also summarized in the Office of Education publication, *Trends in Financing Public Education, 1929-30 to 1959-60*.

For the years since 1960, a basic source is the annual Office of Education publication, entitled *Digest of Educational Statistics*. Supplementing this source are the *U.S. Budget* and *U.S. Budget Appendix*, the *Statistical Abstract*, and the Department of Health, Education, and Welfare publication, *Grants-in-aid and Other Financial Assistance Programs Administered by the U.S.*

Department of Health, Education, and Welfare, 1966 edition. For some years and for some programs, the data were estimated by the Social Security Administration or the Office of Education. Mimeographed releases of the Office of Education entitled "Federal funds for education and related activities: estimated obligations" have been used for recent years.

State and Local Estimates

As in the case of the Federal estimates, the education estimates in the State and local sector are broken down into three categories: elementary-secondary education, higher education, and vocational and adult education, with separate figures given on construction expenditures under elementary-secondary and higher education.

To obtain the elementary-secondary figures, the basic Office of Education series, "Total expenditures for public schools," as reported in the *Biennial Survey of Education in the United States* is used. These figures, however, include funds received from Federal sources, which are already accounted for in the Federal sector. A deduction is thus made for public elementary and secondary school revenue receipts from Federal sources, as reported in the *Biennial Survey*. One further item needing deduction is school health expenditures since such expenditures are included elsewhere in the social welfare expenditure series under "Health and medical programs" (See table 3-7).

The residual figure includes vocational education expenditures. Separate figures for the latter are available from another Office of Education series, "Expenditure of Federal, State, and local funds for vocational education," derived from annual reports of State Boards for Vocational Education to the Office of Education, and are subtracted to get the necessary break between elementary-secondary and vocational education.

To get the construction estimates, the Office of Education series entitled "Capital outlay expenditures for public schools" as reported in the *Biennial Survey* is used. This series encompasses more than construction costs, including expenditures for land acquisition and purchase of equipment, but there is no way to segregate

the data. From the capital outlay figures are deducted Federal funds granted States and local agencies for construction (primarily the Federal assistance to federally affected school districts under Public Law 81-815) as reported in the table on Federal expenditures for education. Construction expenditures for vocational and adult education are included in the elementary-secondary construction estimates because such programs are almost always administered in existing high school facilities and therefore charged to secondary school budgets.

Since the basic source employed yields data for only the even-numbered years, data for the odd-numbered years have to be obtained by averaging the figures for the preceding and following years or by interpolation.

To get the higher education estimates, once again the *Biennial Survey* is used. However, the expenditure data in the *Biennial Survey* do not yield a satisfactory historical series for obtaining data on State and local government activities in this field. Instead a receipt series from the *Biennial Survey*, which shows the sources of income of higher institutions, is deemed preferable by the Office of Education.

This series gives data on current-fund income and on plant fund receipts (for expansion) broken down by source of income—State and local government, among others. Since the data are for even-numbered years, data for the odd-numbered years have to be estimated by averaging the figures for preceding and following years or by interpolation. Some of the early figures do not permit a break between current operation and plant expansion data.

Revisions of estimates for higher education expenditures, especially for construction, for the years 1962-66 by the Office of Education account for the major difference between the State and local data appearing previously in the annual articles of the series and the data appearing here.

LIMITATIONS OF THE DATA

A major limitation of the Federal series on education is the fact that some of the data are available on an obligations or appropriations basis, and some on an expenditure basis.

The Office of Education, in its *Federal Funds*

for Education series, since 1963 has been using estimated obligations. For the years 1958-63, however, much of the OE data were presented on an expenditure (actual payments) basis. For the years prior to 1958, the most common basis was appropriations or allotments.

Although it would be desirable to have individual items in the series on a comparable basis, the limited time available to the staff did not permit a wholesale revision of the series. Moreover, there is some advantage to using data already published, wherever possible.

For the years and items not covered by the *Federal Funds for Education* series, and where the available data offered a choice, the decision was made to use the basis that would be most consistent with the rest of the published series for that particular item. The footnotes to the tables explain the basis for the individual items.

The limitations of the data in the State and local sector involve more substantive matters.

First, the estimating procedure now used assumes that all funds spent by State and local agencies for elementary-secondary education come from either Federal, State, or local public sources. However, a small part of the funds available to State and local agencies comes from private gifts and fees. Thus, the reported

amount is slightly higher than the actual amount of State and local expenditures from State and local public sources.

Second, in deducting Federal funds, the amount *received* by State and local education agencies during a given year is used. This amount may not be equal to the amount of Federal funds spent during that same year. Similarly, the higher education estimates use the amount *received* by higher institutions from State and local sources, which may not be the same as the amount of State and local funds spent during the year.

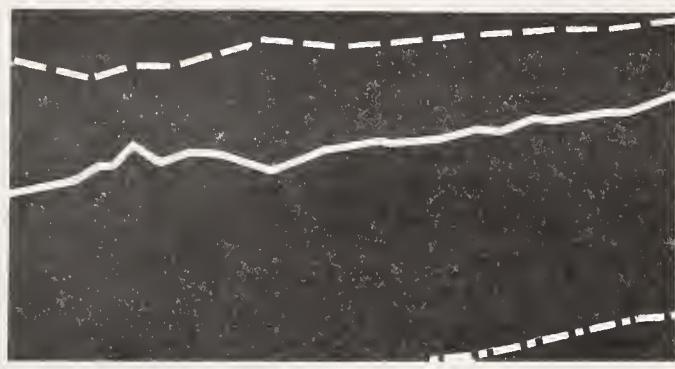
Third, the expenditures from State and local sources for construction include expenditures for equipment. Thus, the series is not strictly comparable with the Federal series on construction, which excludes expenditures for equipment.

Fourth, the totals for elementary-secondary expenditures from State and local sources are limited to the States and the District of Columbia. Thus, the series is not strictly comparable with the Federal series on elementary-secondary education, which covers outlying areas (i.e., Puerto Rico, American Samoa, Guam, and the Virgin Islands).



Chapter 6

HOUSING



PREVIEW

AS DEFINED and limited by the social welfare expenditure series, housing expenditures are confined to outlays for housing owned and/or operated by a public body ("Public housing") and to programs designed to provide subsidized housing for low- and moderate-income families ("Other housing programs").

Federal expenditures have dominated the housing picture, as thus defined. Public housing had its origin in the 1930s with the establishment of the Public Works Administration and the U.S. Housing Authority. Amounts expended remained relatively modest (except for one or two post-World War II years) and it was not until 1957 that Federal housing expenditures reached \$100 million. Over the last 10 years such expenditures have grown to \$251 million, almost all of which was for public housing. State and local housing expenditures have also grown during this period—from \$19 million to \$84 million.

DESCRIPTION OF THE PROGRAMS

Housing programs in the social welfare expenditure series relate to government sponsored

and/or supported programs that specifically aim at assisting families in meeting their housing needs. Programs having multipurpose goals such as community development, urban renewal, slum clearance, and demonstration city programs are not included, though it is recognized that such programs often result in the upgrading and improving of the supply and quality of available housing.

As in the series generally, the emphasis is on the *net* monetary cost of government activities. This is the cost to the government, less any recoverable amounts. Thus, government loans for low-rent public housing or for college housing are excluded on the grounds that they will be repaid or privately refinanced. Conceptually, though, loans made at below-market interest rates should be included in the series to the extent that a subsidy is being provided the borrower.

Programs providing credit facilities for home-financing institutions, and mortgage and loan insurance programs are also excluded. For the most part they have resulted in no net cost to the government since income from these programs exceeds expenditures. This is also true of such liquidated agencies as the Home Owners'

Loan Corporation, set up in 1933 to refinance the mortgages of distressed home owners. The postwar veterans' home-loan guaranty program, which has involved some net cost, is handled in the category, "Veterans' programs."

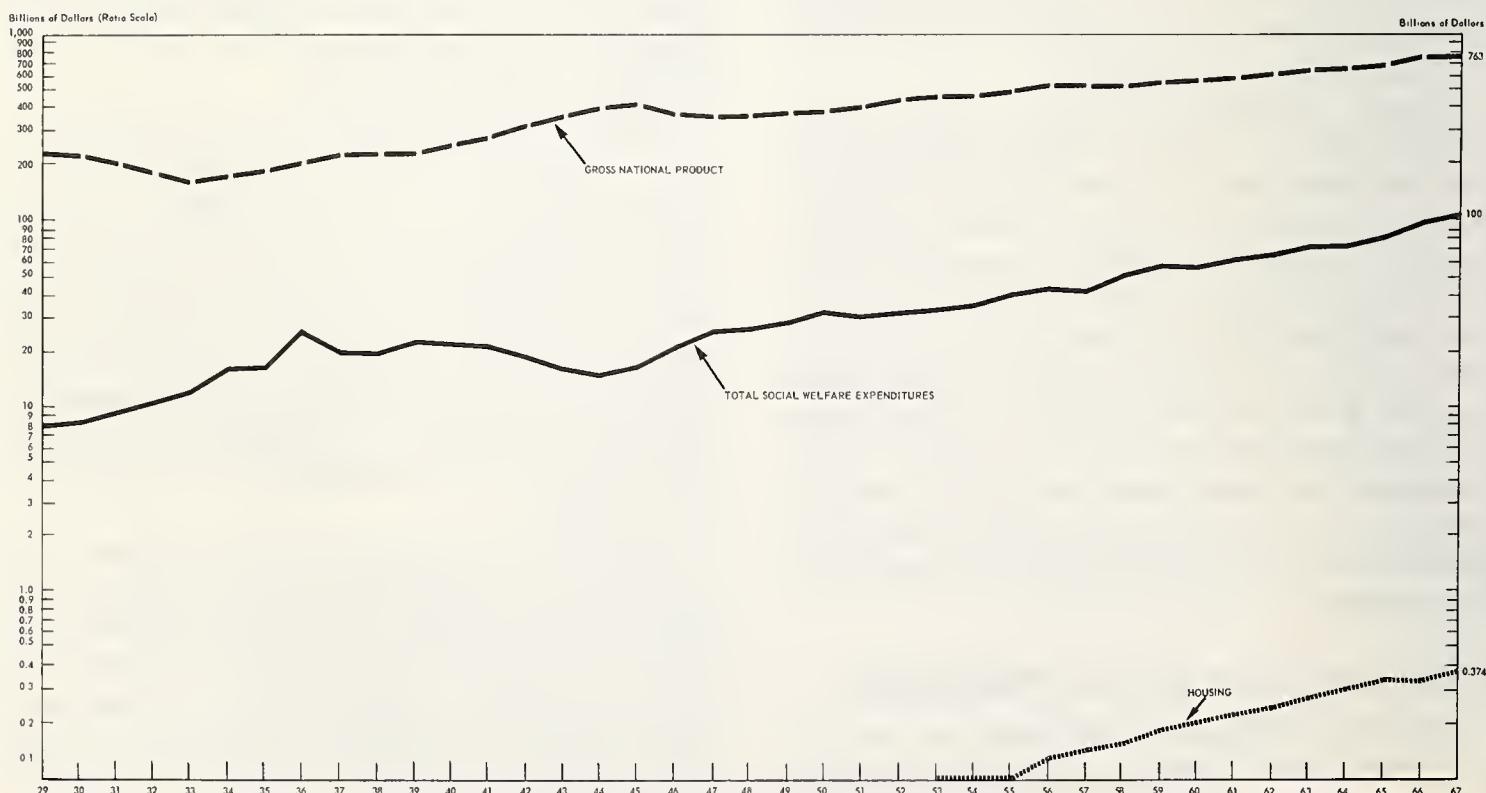
Also excluded from the series are certain war emergency housing programs authorized by amendments to the Housing Act of 1937 and the Lanham Act of 1940. These were primarily for the use of defense and war workers. As war housing, these units were rented at going rates (no subsidy), and subsequently sold on a competitive basis or transferred to local housing authorities or other local bodies (educational institutions, etc.). The net cost, if any, to the government of constructing war housing is uncertain. In any event, it can properly be considered a war- or defense-related expenditure. However, where the projects were used for low-rent purposes, and during the period they were operated by the Federal Government, the net losses are included.

Another exclusion in the series concerns rural subsistence homesteads, suburban "greenbelt towns," and farm labor homes constructed in the

1930s with direct Federal funds. These projects, all of which were subsequently sold, had many purposes in addition to providing housing for low-income families. The "greenbelt towns," especially, were used as work-relief vehicles and as demonstration projects of planned communities. The subsistence homesteads had as their goal the resettlement and rehabilitation of farm families, with stress on establishing a stable source of income for unemployed workers.

These exclusions, especially those pertaining to mortgage-loan insurance and related programs, tend to give an incomplete picture of the impact of Federal housing programs. Through the Federal Housing Administration (FHA) insurance of mortgage loans, it has been possible to serve families with lower incomes than would have been possible with conventional mortgages alone. The availability of FHA insured mortgages with low downpayment requirements enables many more families to purchase homes than would otherwise be possible. The FHA insures mortgages on housing for veterans and servicemen, housing for

Chart 22.—Gross national product, total social welfare expenditures, and expenditures for housing, in constant 1967 dollars, 1929–67



the elderly and the handicapped, nursing homes, cooperative housing, condominiums, experimental housing, and housing at or near military installations and elsewhere. Special mortgage insurance is also provided for new construction or rehabilitation of dwellings in urban renewal areas.

The activities of the Federal National Mortgage Association in providing special assistance at certain periods have also helped meet housing needs in areas and at times when such needs would not otherwise have been met. The assistance takes the form of financing selected types or categories of housing (through purchase and sale of FHA-insured and VA-guaranteed mortgages) for which private capital is inadequate.

It is recognized that the social welfare expenditure series, by limiting its figures to net direct Federal costs, does not measure in full the role of Federal housing programs in relation to social welfare. This situation, of course, is not limited to the field of housing. In many other areas, also, there are Federal activities that do not involve direct Federal expenditures, but which have an impact on social welfare. A prime example is the expanding student loan programs in education, which are not reflected in the social welfare expenditure series.

In the material and tables presented here, the "Housing" section is broken down into two major categories: "Public housing" and "Other housing programs." "Public housing" relates to housing owned and/or operated by a public body such as the Housing Assistance Administration (until 1966, the Public Housing Administration) or local public housing authorities. "Other housing programs" relate primarily to government programs designed to assist private industry in financing subsidized housing for low-income and moderate-income families.

Federal expenditures for public housing dominate the housing picture thus defined. In the fiscal year 1966, such expenditures amounted to \$249.2 million out of a total of \$334.8 million reported for the entire housing category in the social welfare expenditure series. State and local expenditures for housing amounted to \$84 million and other Federal housing expenditures to \$1.6 million. The rise in Federal expenditures

for public housing has been a continuous one since the trough of 1948 and 1949. During the immediate postwar years, the massive expenditures for the veterans' re-use housing program dwarfed all other expenditures.

The Federal Public Housing Program PROGRAM DEVELOPMENTS

The first low-rent public housing projects in the United States were constructed as the result of the vast public works program set in motion in June 1933 by the National Industrial Recovery Act. Between 1933 and 1937, this program, through the Public Works Administration, directly financed, built, and operated some 22,000 units in 51 low-rent projects.

Under the financing formula worked out by PWA, 45 percent of the cost of the projects was to be written off as a grant, partly as a cost of work relief, partly as the government's contribution toward achieving low rentals for low-income families. The balance was to be amortized by rental income over a period of 60 years.

Although this 45-percent grant could be construed to include more than a subsidy for low-cost housing, it appears reasonable to use this percentage as a rough indication of the initial step taken by the U.S. Government toward helping families of low income to get decent housing priced within their means. In the series, the amounts represented by the 45 percent have been allocated to the years 1934-38.

In November 1937, the PWA housing projects were turned over to the United States Housing Authority, now the Housing Assistance Administration of the Department of Housing and Urban Development, and in subsequent years conveyed to local authorities. As of June 30, 1966, all but two of the former PWA projects had been conveyed or sold to local authorities.

These conveyances were made without monetary consideration at the time of conveyance. However, the net income from the operation of these projects as low-rent housing by the local housing authorities was to be used for a period of 40 years to reduce the amount of other Federal subsidies for low-rent housing.

The same financing formula was used when

the war emergency housing projects built under the Lanham Act of 1940 were transferred at the conclusion of World War II to local housing authorities for use as low-rent housing projects.

The U.S. Housing Act of 1937 set the pattern of Federal subsidization of low-rent housing that has continued to be followed since 1938. Under the Act, as amended, provisions are made for the support of public housing that is locally owned and built, and operated by local housing authorities created under State law. The Housing Assistance Administration (formerly the Public Housing Administration) is authorized to offer local housing authorities financial assistance through loans and grants. The contract between the Federal Government

and the local housing authority provides for a Federal short-term loan to assist in financing the construction of the project and for annual contributions (subsidy) fixed by law to assist in achieving and maintaining the low-rent character of the project after completion and occupancy.

The rent charged a given family is usually based on its income rather than on the size of the dwelling required. In general, a family pays approximately 20 percent of its income for rent, including the cost of utilities.

The annual contributions are intended to cover the amounts needed to pay the annual debt service (interest plus amortization) on the long-term bonds that the local housing authorities sell to private investors. The security for these bonds includes a pledge of the annual contributions that HAA has contracted to pay.

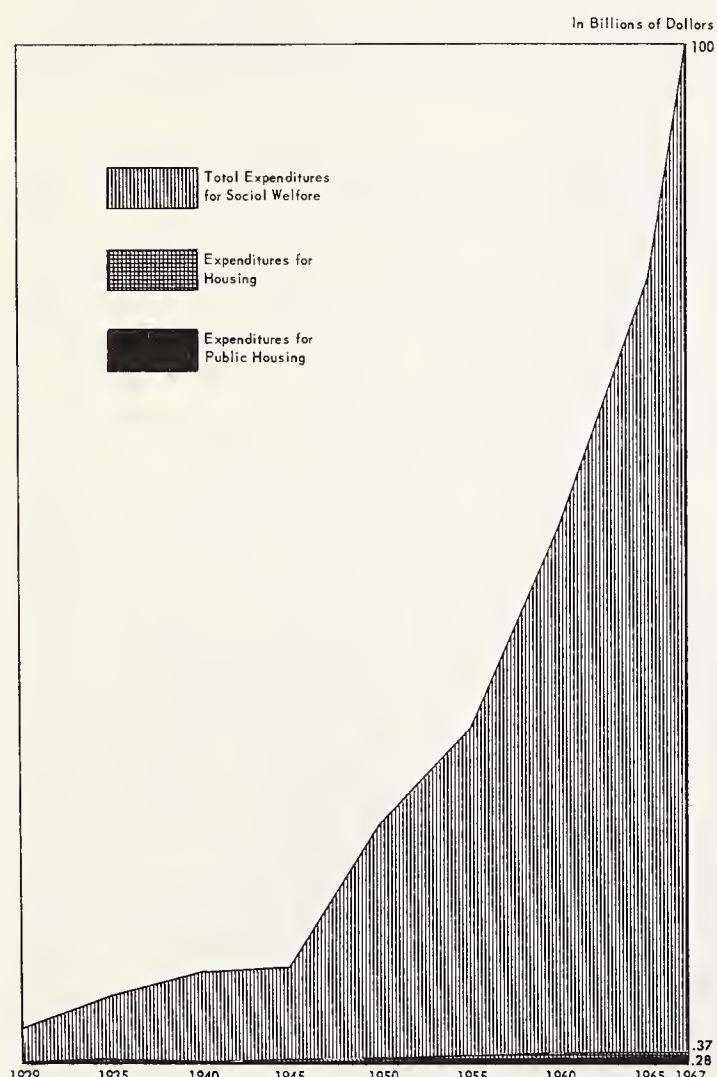
Under the Housing and Urban Development Act of 1965, local housing authorities also receive annual contributions to enable them to acquire and rehabilitate existing structures, and to lease existing dwelling units for the purpose of augmenting the supply of low-rent housing.

No annual contributions are paid by the Housing Assistance Administration for the Public Works Administration and Lanham Act projects transferred to local housing authorities for use as low-rent housing.

The amount of contributions actually paid each year is reduced by the amount of the local housing authorities' "residual receipts" for that year. Residual receipts are the amounts by which operating receipts exceed operating expenditures. Where there is a consolidated program of locally built projects and former Federal projects (the PWA and Lanham Act projects), the net income from the operation of the former Federal projects is included in the residual receipts used to reduce the fixed annual contributions. These receipts from former Federal projects are indistinguishable from receipts from other locally owned projects. When the local housing authorities are administering only former Federal projects, then any net income reverts directly to the Federal Government.

The annual contribution device is also used to subsidize disadvantaged groups in the population such as the low-income elderly and the handicapped. Starting in 1962, a contribution

Chart 23.—Growth in aggregate dollar amounts of expenditures for total social welfare, housing, and public housing, 1929–67



of up to \$120 per occupied dwelling unit was authorized to local housing authorities to enable them to keep rents within the means of low-income elderly who are eligible for public housing. A similar subsidy was added in 1964 for persons displaced by government action such as urban renewal or low-rent housing projects. In 1965 the subsidy was extended to the handicapped. This additional subsidy assists in making it possible to provide entire projects specially designed for the elderly and handicapped if communities want them.

VETERANS' RE-USE HOUSING

At the conclusion of World War II, Congress set aside part of the defense housing built under the Lanham Act as accommodations for returning servicemen and their families. Federal money was appropriated to cover the cost of converting more than 180,000 defense units into low-cost housing. Most of it went to college campuses, some to local housing authorities and similar nonprofit agencies on land provided by the institutions. The total cost of dismantling and re-erecting the structures was written off. There was little to be recovered in the final disposition of the temporary structures. The net cost to the government was substantial—over \$400 million. This cost accounts for the sharp increase in the series' total figures for 1946–48.

NATURE OF EXPENDITURES

Federal expenditures for the "Public housing" category in the series consist of the net cost of the Public Works Administration housing projects (45 percent of the construction cost of each project) allocated to the years 1934–38, the annual contributions to locally owned projects by HAA, the net cost of operating low-rent public housing projects during the period owned by the Federal Government, and the cost of the veterans' re-use housing program.

The annual contribution payments are made out of Federal appropriated funds and represent a direct nonrecoverable subsidy. The figures include amounts to local housing authorities for acquisition, rehabilitation, and leasing of existing structures as well as for financing new construction. Special subsidies for the

elderly, the handicapped, and the displaced are also included in the annual contributions figure, though shown separately.

The annual contribution figure used in this series is obtained by deducting total residual receipts, i.e., income from housing projects that exceeds expenditures. Some of these residual receipts are from former Federal projects (which involved no annual contribution payments). They should, strictly speaking, not be subtracted out, especially if one assumes, not implausibly, that the residual receipts from former Federal projects really represent a return to the Federal Government of previous capital outlay. However, the amount of the residual receipts attributable to former Federal projects is not readily available, though it is estimated to be relatively small in recent years, somewhat more significant during the war years.

In addition to the annual contributions, the series, starting with 1947, includes the net losses or costs to the Federal Government of operating and maintaining federally owned projects such as the PWA and Lanham Act projects before they were disposed of. Prior to 1947, these projects reported net gains. These losses have been diminishing and will cease altogether in a short time.

Administrative expenses incurred by the Housing Assistance Administration for low-rent public housing are included in the series. These expenses relate primarily to the provision of technical advice and assistance to local housing authorities in the development and management of low-rent housing projects and to the auditing of local housing authority operations to ensure compliance with Federal regulations. Administrative expenses of the veterans' re-use housing program are not included, since operating income from this program exceeded administration costs. Development and other loans by the Housing Assistance Administration for public housing are not included in the series since they are recoverable.

SOURCES OF DATA

The data are provided by the Department of Housing and Urban Development and predecessor agencies (Housing and Home Finance Agency, National Housing Agency, etc.) from

both published (annual reports, *U.S. Budget*) and unpublished sources.

Other Federal Housing Programs PROGRAM DEVELOPMENTS

This section includes various kinds of housing programs designed to improve the supply and quality of houses made available for low- and moderate-income families. These programs are administered by the Department of Housing and Urban Development, except where otherwise indicated.

One series of programs deals with Federal assistance to private industry in providing housing by virtue of below-market and low-interest rate mortgages, as described below:

(1) *Rental housing for the elderly.*—Initiated by Housing Act of 1959, this program provides direct Federal loans to nonprofit corporations to build rental or cooperative housing for elderly and, starting in 1964, handicapped persons whose income makes them ineligible for public housing, but who cannot afford rentals in the regular housing market. The program is subsidized by making the loans at below-market interest rates. The lower interest rate makes it possible for the housing to be provided at lower-than-market rentals. This program is administered by the Housing Assistance Administration of the Department of Housing and Urban Development. A similar rural housing direct-loan program for the elderly is administered by the Farmers Home Administration, Department of Agriculture.

(2) *Below-market interest rate mortgages under Section 221 (d) (3).*—This program is designed to promote rental or cooperative housing for families whose incomes are too high for public housing but too low to enable them to compete in the normal rental or cooperative market. Established by the Housing Act of 1961, the program originally limited eligibility for occupancy to moderate-income families and families displaced by urban renewal or other government action. In 1964 the program was amended to include individual elderly persons and individual handicapped persons among those eligible for occupancy. Amendments in 1966 extended occupancy to single persons

under age 62, with certain limitations. The Federal subsidy involved is the difference between the current 3-percent interest rate and the market rate. Also included in the subsidy are ultimate realized losses.

(3) *Rehabilitation loans.*—The Housing Act of 1964 authorized a program of 3-percent loans to owners or tenants of property in urban renewal areas to finance rehabilitation required to make such properties conform to building code requirements. Maximum loans of \$10,000 per residential unit were prescribed.

(4) *College housing loans.*—The Housing Act of 1950 authorized loans to institutions of higher education to assist them in providing housing and related facilities for students and faculty and to hospitals for housing facilities for student nurses and interns. Under the Housing and Urban Development Act of 1965, the interest rate is set at 3 percent.

(5) The latest below-market interest rate program involves the financing of sales housing for low-income individuals and families. This program was enacted in the Demonstration Cities and Metropolitan Development Act of 1966. Under this program, FHA financing to low-income families is provided at the same 3-percent interest rate now available to rental and cooperative projects for moderate-income families and to housing for the elderly. This financing would be available in neighborhoods that consist largely of deteriorating or sub-standard housing and could be used only if the housing is rehabilitated to bring it up to an adequate level. The program would enable low-income families to buy rehabilitated homes with down payments of as little as \$200 and with FHA-insured mortgages bearing below-market interest rates. Such mortgages would also finance the purchase of the housing by nonprofit organizations and its rehabilitation by those organizations for resale to low-income families.

In addition to the low-interest rate loan programs, there are several programs that provide direct expenditures and grants. A major new approach is the rent supplement program enacted by the Housing and Urban Development Act of 1965. This program provides financial assistance to enable certain private housing to be available for lower-income families who are

elderly, handicapped, displaced by government action, victims of a natural disaster, or occupants of substandard housing. Through rent supplements these families would be able to afford the rentals on privately constructed, privately financed and privately owned standard housing designed to meet the needs of lower-income families.

Under this program, annual rent supplement payments are made to project owners (non-profit, limited-dividend, or cooperative organizations) on behalf of tenants in the above-mentioned groups who meet certain income and asset limitations. Qualified tenants are required to pay 25 percent of their income for rent. The difference between this and the full market rent for that dwelling is subsidized by the Federal Government through the annual rent supplement payments.

Another program authorized by the Housing and Urban Development Act of 1965 provides for rehabilitation grants to low-income owner-occupants in urban renewal areas for the purpose of covering the cost of repairs and improvements necessary to bring their residences up to applicable housing standards. These 100-percent grants are currently up to \$1,500 per unit. No expenditures were made up to the end of fiscal year 1966.

Another grant program included in the housing series is the one authorized under the Housing Act of 1961 for Federal grants to public or private bodies or agencies for the purposes of developing and demonstrating new or improved means of providing housing for low-income and handicapped persons.

Finally, there are various programs of the Farmers Home Administration of the Department of Agriculture, that extend financial assistance for the improvement of rural housing. Loans and/or grants, currently not to exceed \$1,000, are provided for minor repairs and improvements to farm housing and buildings. A similar program was in effect from 1949 to 1953. Under the Housing Act of 1964, a new program of financial aid to nonprofit organizations for low-rent housing and related facilities for domestic farm labor was authorized. Under this program, up to two-thirds of the cost of constructing such housing may be borne by the Federal Government.

NATURE OF EXPENDITURES

Direct expenditures and grants to the extent identifiable under the above described programs are included in the social welfare expenditure series under "Other housing programs." Programs that provide below-market interest rate mortgages and loans present a problem. Conceptually, the government is subsidizing these programs to the extent of the difference between the market rate and the government-prescribed rate and this difference may properly be termed a social welfare expenditure. The difficulty is to ascertain the precise amount of the subsidy and the related task of annually computing such a subsidy for the various programs. Because of these difficulties, the housing series at the moment does not include these subsidies, although it is hoped that at some date in the future such figures may be developed for inclusion in the series.

SOURCE OF DATA

The source of data is the *U.S. Budget*.

State and Local Programs

PROGRAM DEVELOPMENTS

Most States have adopted permissive legislation authorizing the establishment of local public housing authorities with the power to acquire, own, and operate low-rent housing projects, and to engage in slum clearance and urban development programs. A few States also provide loans and annual subsidies to local housing authorities or operate State-owned public housing projects. Subsequent to World War II, some States made some direct grants to localities for veterans' housing.

Local government assistance for low-rent housing primarily takes the form of exempting public housing projects from local taxation. In lieu of taxes, communities receive from local public housing authorities payments up to 10 percent of the shelter rent. A few local governments have constructed and are subsidizing city-owned public housing projects.

Subsequent to World War II, local governments also gave assistance to veterans' housing programs. This assistance primarily took the

form of providing land and utilities or selling land to veterans at reduced prices and freezing the tax rates on veterans' rental projects for a number of years.

NATURE OF EXPENDITURES AND THE SOURCE OF DATA

The social welfare expenditure series does not include any amounts reported for housing purposes by local jurisdictions. Since these expenditures primarily represent funds borrowed through public bond issues for low-rent public housing construction, which are recovered either by future income of the project or by Federal subsidies (annual PHA contributions), there is little net cost attributable to local jurisdictions. In the case of local government assistance that takes the form of providing land or utilities or favorable tax treatment, the absence of any out-of-pocket expenses makes the assignment of monetary values a difficult task. A further complication is that the annual amounts shown in the reports of the Bureau of the Census for local governments (and State governments) in the field of housing are gross rather than net figures. That is, they include all capital

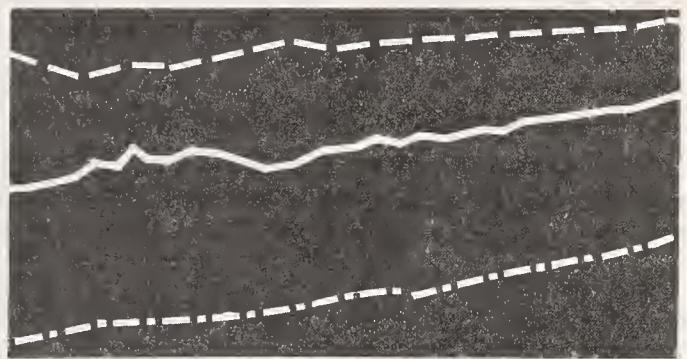
outlays for publicly operated projects (even though met by sale of public bonds) and all operating costs of publicly owned projects (even though offset by operating revenues).

Thus, the only data shown in the social welfare expenditure series under the non-Federal expenditure category for housing relate to the amounts expended at the State level as reported in the *Compendium of State Government Finances* (Bureau of the Census). This item as published annually makes no distinction between expenditures for housing and expenditures for urban renewal or community development. It is known, however, that the bulk of this item is for housing projects. The State figure also suffers from the deficiency of being a gross figure. Nevertheless, whatever overstatement results from the inclusion of urban renewal data and of gross capital and operating costs of State-owned public housing projects can be construed as compensation for the failure to include some housing amounts for local jurisdictions.

No data are shown for years prior to 1951, since the *Compendium* did not start reporting these data separately until that time.

Chapter 7

OTHER SOCIAL WELFARE



PREVIEW

A NUMBER of social welfare programs are not readily classified into any of the preceding groups and are therefore detailed here. They include vocational rehabilitation, institutional care, school meals, child welfare, some of the "poverty" programs, and a miscellaneous group of still other programs.

For the most part they provide welfare services, as contrasted with programs providing predominantly cash assistance, health services, or education services. The welfare services provided, like those of health, are not necessarily restricted to those persons who meet a test of need.

In addition to including welfare, many of the programs are also a mixture of health and education services. To the extent that the mixture is opaque, the category overlaps with the functional classifications of "Health and medical programs" and "Education." A subcategory under the program has been designed wherever functional services other than welfare are separable and of substantial amount. An example is the medical services provided under vocational rehabilitation.

Over the years expenditures for all these programs have grown from \$76 million in 1929, of which less than 2 percent was Federal money, to more than \$2.3 billion in 1966, of which 44 percent was Federal.

Vocational Rehabilitation

DESCRIPTION OF THE PROGRAM

Vocational rehabilitation refers to the assistance given the physically and mentally handicapped so that they may be prepared for and placed in gainful occupations. Many public and private organizations provide such assistance

but the focal point is the Federal-State vocational rehabilitation programs. Services to disabled individuals are available through State vocational rehabilitation agencies with the assistance of Federal matching grants. The Federal Government, through the Vocational Rehabilitation Administration in the Depart-

ment of Health, Education, and Welfare, approves State plans, establishes standards for State operations, gives technical assistance to the States and other rehabilitation agencies, and certifies Federal grants to the States in accordance with the formula set forth in the Vocational Rehabilitation Act, as amended.

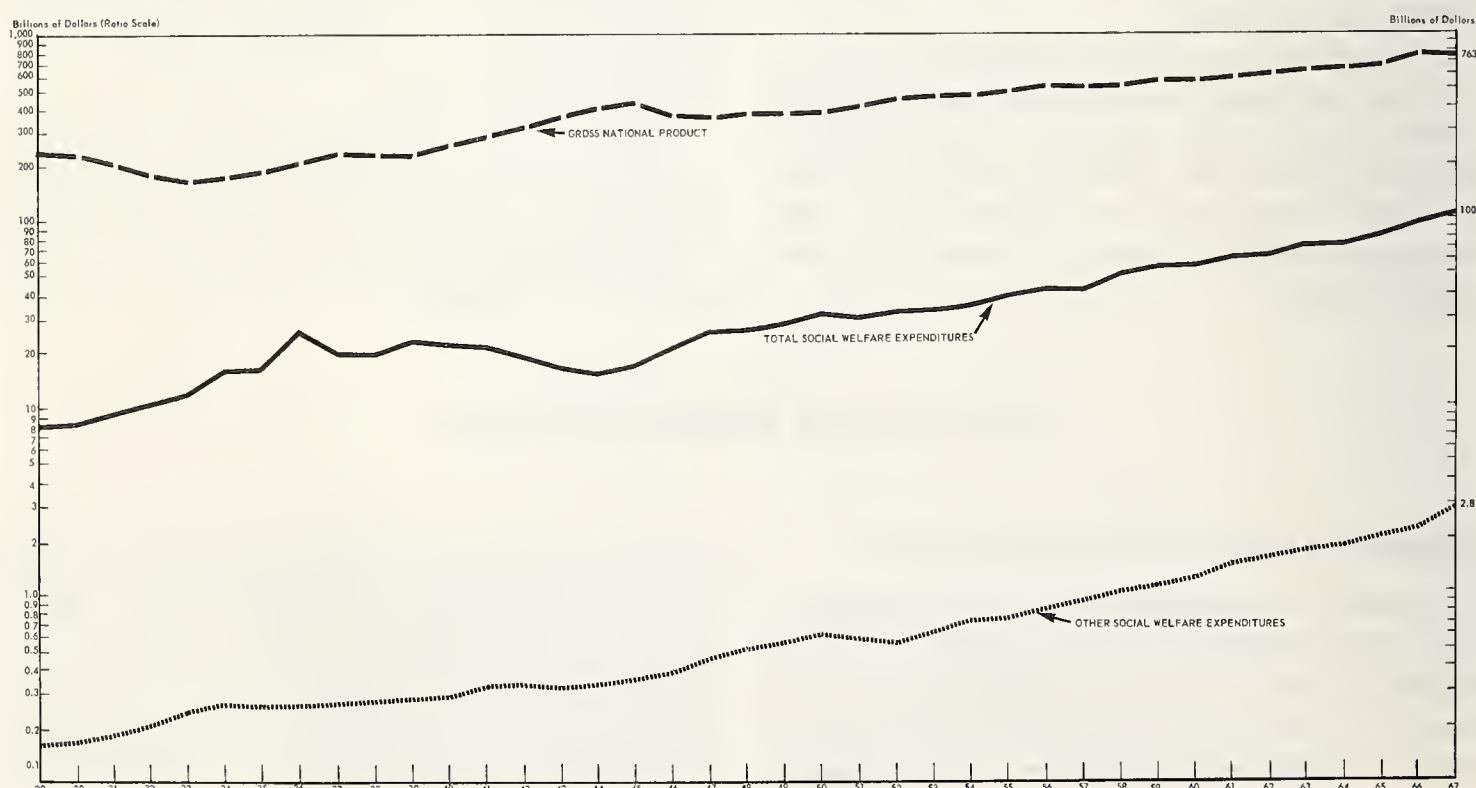
Vocational rehabilitation programs are in operation in all States, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam. In 37 jurisdictions there are separate agencies that provide for rehabilitation of the blind. In these areas, the Federal allotment is divided by the State between the two agencies.

The vocational rehabilitation basic services include: comprehensive evaluation, embracing medical study and diagnosis to assess the degree of disability and the individual's work capacities; individual guidance and counseling in achieving vocational adjustment; medical, surgical, and hospital treatment, and related therapy to remove or reduce the disability; prosthetic devices; training and training supplies; personal adjustment; services in comprehen-

hensive or specialized rehabilitation facilities, including adjustment centers; maintenance and transportation during rehabilitation; tools, equipment, and licenses for work on a job or in establishing a small business; placement on a job and post-placement followup; and other goods and services needed in rehabilitating handicapped individuals. Rehabilitation facilities and workshops may also be established, including expansion, remodeling, or alteration of existing buildings, acquisition of initial equipment, and initial staffing.

To be eligible for services (other than services to determine the rehabilitation potential), an individual generally must meet three conditions: (1) have a disability; (2) the disability must present a substantial handicap to employment; and (3) there must be a reasonable expectation that vocational rehabilitation services may render him fit to engage in gainful employment. Under the 1965 amendments, rehabilitation services may be provided in certain cases for an extended period of evaluation prior to the determination that there is a reasonable

Chart 24.—Gross national product, total social welfare expenditures, and 'other social welfare' expenditures, in constant 1967 dollars, 1929–67



expectation that the individual can engage in a gainful occupation.

The formula for allotting Federal funds for basic services is based on each State's population weighted by its most recent per capita income average, as related to the national totals of these two factors. The matching ratio for grants covering services under this part of the Act (Section 2) is 75 percent Federal, 25 percent State. This matching rate became effective July 1, 1966. In previous years a variable rate was used based on the fiscal capacity of the State, ranging from the minimum of 50 percent to a maximum of 70 percent as the Federal Government's share of the program.

States also receive allotments based on population for special innovation projects (these grants are supplanting grants previously titled extension and improvement projects); each project may last up to 5 years. The Federal matching rate may not exceed more than 90 percent for the first 3 years of the project, or 75 percent for the last 2 years. Thereafter the services may be continued under the basic services financing of Section 2 of the Vocational Rehabilitation Act.

Expansion grants are also available to State, other public, or private nonprofit agencies planning, preparing for, and initiating projects that hold promise of rehabilitating substantially greater numbers of handicapped individuals. The maximum Federal participation in any one of these expansion projects is for 3 years. The Federal share may not exceed 90 percent.

The 1965 amendments to the VR Act also provided for special grants for a 2-year period beginning July 1, 1965. The purpose: to plan a comprehensive statewide program in each State, including the orderly development of services and resources, so that by July 1, 1975, or sooner, vocational rehabilitation services will be available to all handicapped individuals in the State. No State matching is required for these projects except that the maximum Federal grant to any State for any fiscal year may not exceed \$100,000.

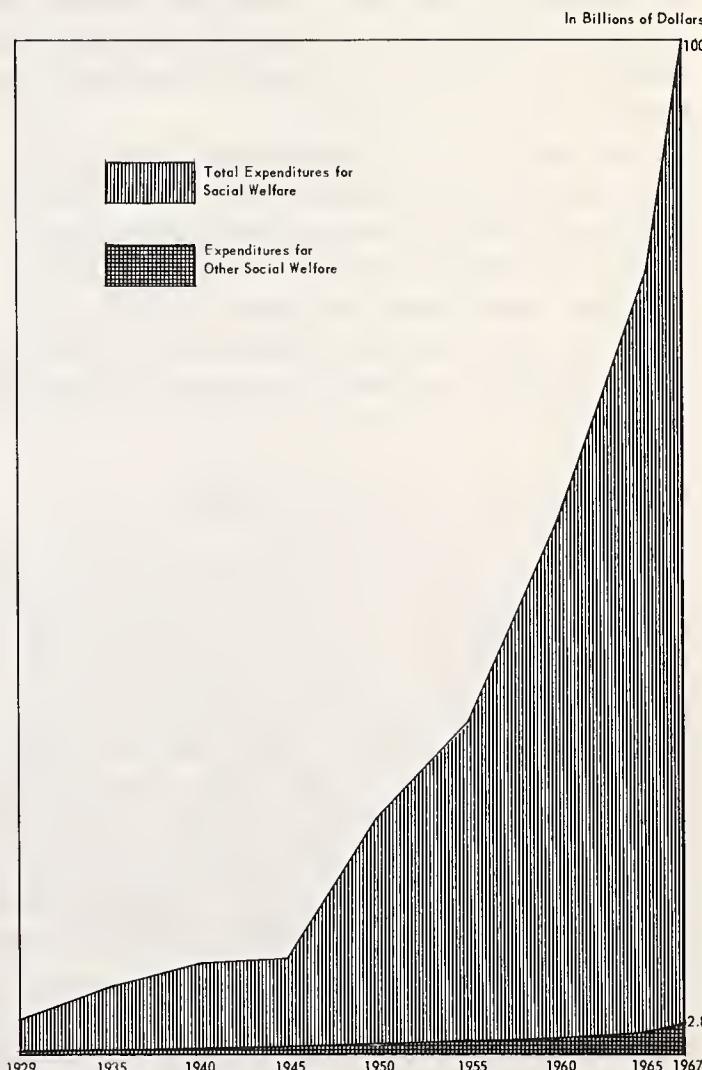
The 1965 amendments authorized Federal participation for a 5-year period in the cost of constructing new public or other nonprofit rehabilitation facilities and workshops. Federal shares are the same as Hill-Burton rehabilita-

tion facility matching rates, varying from one-third to two-thirds Federal funds, depending upon the particular State or locality in question. Grants are also provided for planning rehabilitation facilities and workshops, with a maximum Federal matching of 90 percent.

Initial staffing grants for newly constructed facilities or workshops may extend for 4 years and 3 months. Maximum Federal participation for the first 15 months is 75 percent; next 12 months, 60 percent; next 12 months, 45 percent; final 12 months, 30 percent. At the end of this time the applicant must be prepared to assume full financial responsibility for staffing costs.

Effective July 1, 1966, a new 5-year program of workshop training grants was authorized,

Chart 25.—Growth in aggregate dollar amounts of expenditures for total social welfare and 'other social welfare,' 1929-67



with the Federal Government sharing 90 percent of the costs. Training allowances may also be provided for up to 2 years at the rate of \$25 per week for the trainee and \$10 per week for each dependent up to a maximum of \$65.

Federal grants are provided to help pay part of the costs of research and demonstration projects, training and traineeships to stimulate qualified personnel in vocational rehabilitation services, and to aid research and training centers. There are no allotment formulas or specific matching requirements for these grants; they are a matter of administrative determination and approval. Eligible applicants include: local government agencies, private non-profit organizations, universities, and rehabilitation facilities.

State vocational rehabilitation agencies in all but five States cooperate with the Social Security Administration in making disability determinations for individuals seeking disability benefits under the OASDHI program and in evaluating their vocational rehabilitation potential. In the other five States, determinations are made by the agency administering public assistance programs.

The vocational rehabilitation agencies also provide services to disabled OASDHI applicants and beneficiaries. Under a 1965 amendment to the Social Security Act, the costs of such services may come from the social security trust funds up to an annual maximum of 1 percent of the benefits certified for payment to disabled beneficiaries in the preceding year.

NATURE OF EXPENDITURES

Vocational rehabilitation expenditures in this series include all Federal grants to States and private organizations for vocational rehabilitation services, research, training facilities, and administration, direct Vocational Rehabilitation Administration expenditures for administration and research, and State expenditures that match the Federal grants. They also include some medical treatment not matched by Federal funds prior to 1944. The following expenditures are not included, since costs are incurred by other agencies:

(1) Evaluation of disability and rehabilitation potential of persons applying for OASDHI

disability benefits and for rehabilitation service provided OASDHI beneficiaries. These expenses are paid from the social security trust funds and are included in this series under "OASDHI."

(2) Expenditures by State welfare agencies for the purchase from State vocational rehabilitation agencies of services to public assistance recipients or applicants under the Public Welfare Amendments of 1962. This item is included under "Public assistance."

(3) Expenditures made by the Veterans Administration and the Bureau of Employees' Compensation for vocational rehabilitation. These are included under the veterans' programs and workmen's compensation categories.

(4) Federal funds provided under the Medical Facilities and Construction Act of 1954 (an extension of the Hill-Burton program) for the construction or remodeling of rehabilitation facilities. The expenditures are included under the item "Health and medical programs: Medical-facilities construction."

Excluded from the series entirely is an international research program supported primarily with foreign currencies accruing to the United States through the sale abroad of surplus agricultural commodities.

Two categories of expenditures are shown separately: "Medical services" and "Medical research." The former refers to that portion of the basic grant funds that covers diagnostic procedures, surgery and medical treatment, hospitalization and convalescent care, prosthetic appliances, and purchase of medical services at rehabilitation facilities.

Listed under State and local expenditures are the funds that match the Federal grants, as reported by the Vocational Rehabilitation Administration. Data on administrative expenses are not available at the State or local level. To the extent such expenses were incurred by State or local jurisdictions, they are shown with the total program expenditures.

SOURCES OF DATA

All Federal and State data except those on medical research are provided by the Vocational Rehabilitation Administration. The medical research data are from the series *Resources for Medical Research* prepared by the

Resources Analysis Branch, Office of Program Planning, National Institutes of Health, and from supplementary unpublished data from the same source. The latter material is used since it provides a single source for a national aggregate of government expenditures for medical and health-related research, thus avoiding gaps or duplication in the data. (See section entitled "Medical research" under category "Health and medical programs.")

PROGRAM DEVELOPMENTS

The vocational rehabilitation program started in 1920 when President Wilson signed the Smith-Fess Act, providing Federal grants to pay part of the cost of State rehabilitation services. This first Act limited services to counseling, guidance, job training, the provision of artificial limbs and prosthetic appliances where needed, and job placement for persons disabled in industry or in any legitimate occupation. By 1929 annual Federal expenditures under this program amounted to \$742,000 and State expenditures to \$825,000. The number of persons rehabilitated averaged 4,300 per year.

Authorization for the program was renewed several times until the Social Security Act of 1935 provided permanent authorization. The Social Security Act also included authorization for fixed annual appropriations to extend and strengthen the Federal-State program by providing for both increased grants to States and increased support for Federal administration. Federal grants were made to the States on a 50-50 basis, allotments being distributed on the basis of population, with a minimum of \$5,000 per State for any fiscal year.

Under the Barden-LaFollette Act of 1943, vocational rehabilitation was expanded to provide (1) medical, surgical, and other physical restoration services to eliminate or reduce disabilities and (2) services for persons whose disability was mental illness or mental retardation. The law also brought into the Federal-State program for the first time the separate State agencies serving the blind.

The financing of rehabilitation services under the 1943 Act was revised so that the Federal Government paid (1) the full cost of rehabilitating war-disabled civilians; (2) half of the cost of rehabilitating other disabled persons;

and (3) the full cost of administering the program, including guidance and placement services.

Between 1943 and 1950, expenditures rose more than four times, as the Federal Government became the major source of funds.

The 1954 amendments to the Social Security Act provided a new financing structure for rehabilitation services. Financing provisions with variable matching were designed to give greater financial support to States with a relatively large population and relatively small per capita income. The Federal share varied from 50 percent to 70 percent, and the national average was about three Federal dollars to two State dollars. These amendments also authorized, under basic services and matching, use of Federal funds to establish rehabilitation facilities and workshops.

To broaden vocational rehabilitation services, the 1954 amendments also authorized funds for Federal participation in extension and improvement projects, with distribution based on the population factor only. The Federal Government paid up to 75 percent of the cost of each project.

The rehabilitation program was further expanded to provide Federal funds for expansion projects, research and demonstration projects, and training and traineeship grants to stimulate the training of more professional personnel for rehabilitation services; State matching for these grants was a matter of administrative determination.

Since the passage of the 1954 amendments, the combined Federal and State expenditures covering all programs under the Act rose from \$37 million in 1954 to \$299 million in 1966, the Federal share averaging about 65 percent during this period.

The 1965 amendments to the Act provided greater flexibility in the financing and administration of the State programs as well as authority for new expanded activities. Effective January 1, 1966, the Federal matching of basic services was raised to a flat 75 percent for all States, instead of the variable matching rates of 50-70 percent, and in several of the other programs the matching Federal share was raised to 90 percent maximum participation. One set of provisions (although for a limited period only)

was directed at supporting construction and staffing of rehabilitation facilities and workshops urgently needed, and improving the operations of such programs. Another set was designed to support special and new efforts to

make expanded rehabilitation services available to additional groups, particularly those with severe disabilities. A third set supports planning efforts, including State planning, to bring services to all who need them by 1975.

Institutional Care (Federal)

Expenditures incurred by institutions that provide domiciliary and other care to residents are included in this classification. At the Federal level, these consist of outlays for the U.S. Soldiers' Home, the Naval Home, and the value of surplus and price-supported foods donated by the Federal Government to institutions.¹

U.S. Soldiers' Home DESCRIPTION OF THE PROGRAM

The United States Soldiers' Home, located in Washington, D.C., provides domiciliary and medical care and other benefits for the relief and support of old, invalid, or disabled soldiers of the regular Army and Air Force. Established in 1851, the Home is now operated by the Department of Defense as one of the civil functions of the Army. Its Governor and other officers are retired officers of the Army, three of whom are selected by the President of the United States.

Honorably discharged enlisted men and warrant officers with 20 years' service in the regular Army or regular Air Force are eligible to belong to and enjoy the benefits of Soldiers' Home at any age and without a means test. Service in the Navy or Marine Corps, or as commissioned officers is not counted. Also eligible are those regular enlisted men and warrant officers with less than 20 years' service who are disabled in line of duty, and the invalid and disabled regulars of all wars. Qualified

women regulars are also admitted.

Soldiers' Home is financed through a permanent fund, a trust fund administered by the Treasury, which consists of receipts from fines, forfeitures, and pay stoppages of the regular enlisted personnel of the Army and Air Force, and the withholding of 10¢ a month from the pay of the regular personnel. Unclaimed estates of deceased soldiers and airmen and receipts from the sale of the effects of deserters and escaped military prisoners also go into the permanent fund. The fund earns interest at a statutory rate of 3 percent.

Military pensioners do not surrender their pensions to Soldiers' Home while they are at the Home. Members not on pension, and not in receipt of social security benefits or Federal military or civilian retirement benefits, receive a pocket-money stipend of \$10 a month. Members able and willing to work may be gainfully employed in the Home's operation.

In June 1929, there were 1,547 members of Soldiers' Home; 125 of them were in the Home hospital. The expenses of the Home in that year were \$776,000 and hospital and medical care accounted for about one-third. By January 1967, the membership stood at 2,600 with about 400 in the hospital. In fiscal year 1966 it cost \$7 million to operate the Home, of which \$3 million went for hospital, medical, and dental care. All personnel employed at the present time are civilians except for a few doctors (four in January 1967) who are Army physicians from Walter Reed Army Hospital assigned on a reimbursable basis.

NATURE AND SOURCE OF DATA

Expenditures for domiciliary care at Soldiers' Home are included with the "Institutional care"

¹ Expenditures for Gallaudet College, a federally assisted private institution for the higher education of the deaf, were formerly considered to be properly classified with "Institutional care" and were so reported in the annual *Social Security Bulletin* articles. Now Gallaudet College expenditures from Federal funds appear as part of "Higher education" expenditures, and the data for back years have been revised to reflect this change.

part of "Other social welfare" in the social welfare expenditure series. Expenditures for hospital, medical, and dental care at Soldiers' Home are included with the "Hospital and medical care: Civilian programs" category in the series. Total administrative expenses of the Home, including the cost of such minor construction as is implied in "major repairs," is counted with the domiciliary care.

The data are obtained from *Annual Reports* of Soldiers' Home. For fiscal years 1929 through 1952 and 1954 they represent actual net expenditures in total less the expenditures of operating the Home's own hospital and the cost of maintaining Home members at an Army tuberculosis hospital and at St. Elizabeths mental hospital. For 1953 the data are obligations less cash credit, and from 1955 to date they are disbursements less cash credit. The medical care data that are subtracted formerly appeared in the *Annual Reports*; from 1955 on, they are computed in the Budget and Fiscal Office of the Soldiers' Home.

The Naval Home

DESCRIPTION OF THE PROGRAM

The Naval Home, located in Philadelphia, provides domiciliary care for officers and men of the Navy and Marine Corps, and of the Coast Guard when operating as part of the Navy. They must have served honorably. Enlisted men must, in addition, be unable to support themselves by manual labor for service-connected or other reasons. Retired personnel must have no dependents or they must require constant care.

In 1967, 250 men were "beneficiaries" of the Home. Of the 253 men receiving care in March 1965, 19 had been officers, 234 enlisted men; retired Naval personnel numbered 165, "veterans" 88.

The Naval Home was established by Congress in 1799 as the Naval Asylum; it opened in 1832, and for the first decade also served as a naval school until the Naval Academy was opened. The name was changed in 1889. Until 1935 the Home was financed from the corpus of the Navy pension fund, in some years from the statutory 3-percent interest earned by the fund, and from

Navy fines, forfeitures, and the proceeds of unclaimed estates. The fund—created by Congress in 1799 to receive money derived from the sale of naval prize vessels and, later, a 20¢-a-month levy on the pay of all personnel—was abolished effective July 1, 1935. Its assets of \$14.8 million were merged with the general fund of the Treasury. Since 1935 the Home has been financed from appropriated general funds.

NATURE AND SOURCE OF DATA

The data cover the operation and maintenance of the Home and salaries of both civilian and military operating personnel. Domiciliary care expenditures are not total costs of all care provided the beneficiaries of the Naval Home: Medical care for illnesses more severe than can be cared for in the infirmary of the Home is provided at nearby Naval hospitals on a non-reimbursable basis. These medical expenses are excluded from this section; they are included elsewhere in the series under "Hospital and medical care: Defense Department."

Data for fiscal years 1929 through 1950, on an expenditure basis for some years and a net obligations basis for others, are taken from *U.S. Budgets*. For fiscal years 1942 through 1945, when the *Budget* did not list the military services at all, the fiscal year 1941 level has been maintained as estimated expenditures data. From fiscal year 1951 forward, expenditure data have been provided by the Navy Department.

Surplus Commodity Distribution

DESCRIPTION OF THE PROGRAM

As described more fully under "Other public aid: Surplus commodities," charitable institutions share with needy individuals and the national school lunch program in the Federal distribution of surplus and price-supported agricultural commodities. That part of the total distribution that reaches the charitable institutions is included in "Institutional care." In fiscal year 1966, commodities valued at \$17.0 million were distributed to these institutions. This sum is one of the smallest since the early 1950s.

NATURE AND SOURCE OF DATA

The expenditure data represent the cost to the Federal Government of acquiring and distributing the food. Data are furnished by the Consumer and Marketing Service (formerly the Agricultural Marketing Service) of the Department of Agriculture.

This source does not list separately the value

of the distribution to institutions and to individuals for the beginning period, fiscal years 1936 through 1940. The available dollar figures have been prorated between the two types of recipients by reference to separate data on pounds of commodities distributed, as described more fully under "Other public aid: Surplus commodities."

Institutional Care (State and Local)

DESCRIPTION OF THE PROGRAM

State and local government expenditures for institutional care refer primarily to domiciliary care for dependent and neglected children, for veterans, and for other dependent adults. Also included are relatively minor sums for such miscellaneous items as care in foster or boarding homes or in private homes, legal assistance to the needy, care of transients, regulatory and consultative services, and similar services. The sources used for compiling data do not readily permit a separation between data for institutional care and those for other services.

SOURCES OF DATA AND METHODOLOGY

The basic sources used for estimating State and local government expenditures for institutional care are Bureau of the Census publications: (1) *Historical Statistics on Governmental Finances and Employment* (Vol. VI, No. 4), *Census of Governments: 1962*, for the fiscal years 1929 through 1950; and (2) annual editions of *Governmental Finances* (prior to fiscal year 1958, titled *Summary of Governmental Finances*) for the years 1951 to date.

These documents contain a functional division of State and local expenditures, one item of which is "Public welfare." Public welfare, in turn, is subdivided into (a) categorical cash assistance; (b) other cash assistance; and (c) other public welfare. Component (c) includes institutional care and the small miscellaneous services mentioned above along with—in recent years—three other expenditures of a welfare nature: public assistance administration, child welfare services, and vendor payments for the

medical care of assistance recipients. All three of these are included elsewhere in this series and have to be removed from "Other public welfare" to get a series figure for the category "Institutional care."

The basic Census sources report direct general expenditures of the States and localities, regardless of source of funds; this means the figures for "Other public welfare" include Federal grants. Thus, in removing the three items (mentioned above) from the series, total expenditures, including any Federal grant money for these programs, form the basis for the deductions.²

For fiscal years 1929 through 1934, the Census Bureau data have been used exactly as reported or interpolated on a straight line for the "missing" years, since the three items to be deducted involve little duplication in these years.

Beginning with fiscal year 1935, the assumption is made that "Other public welfare" includes expenditures for child welfare services in the full amount reported by the Children's Bureau. Therefore, from fiscal year 1935 through 1944, 100 percent of child welfare services is subtracted from "Other public welfare," and the remainder is classified as "Institutional care."

In the early years of categorical public assistance under the Social Security Act, the

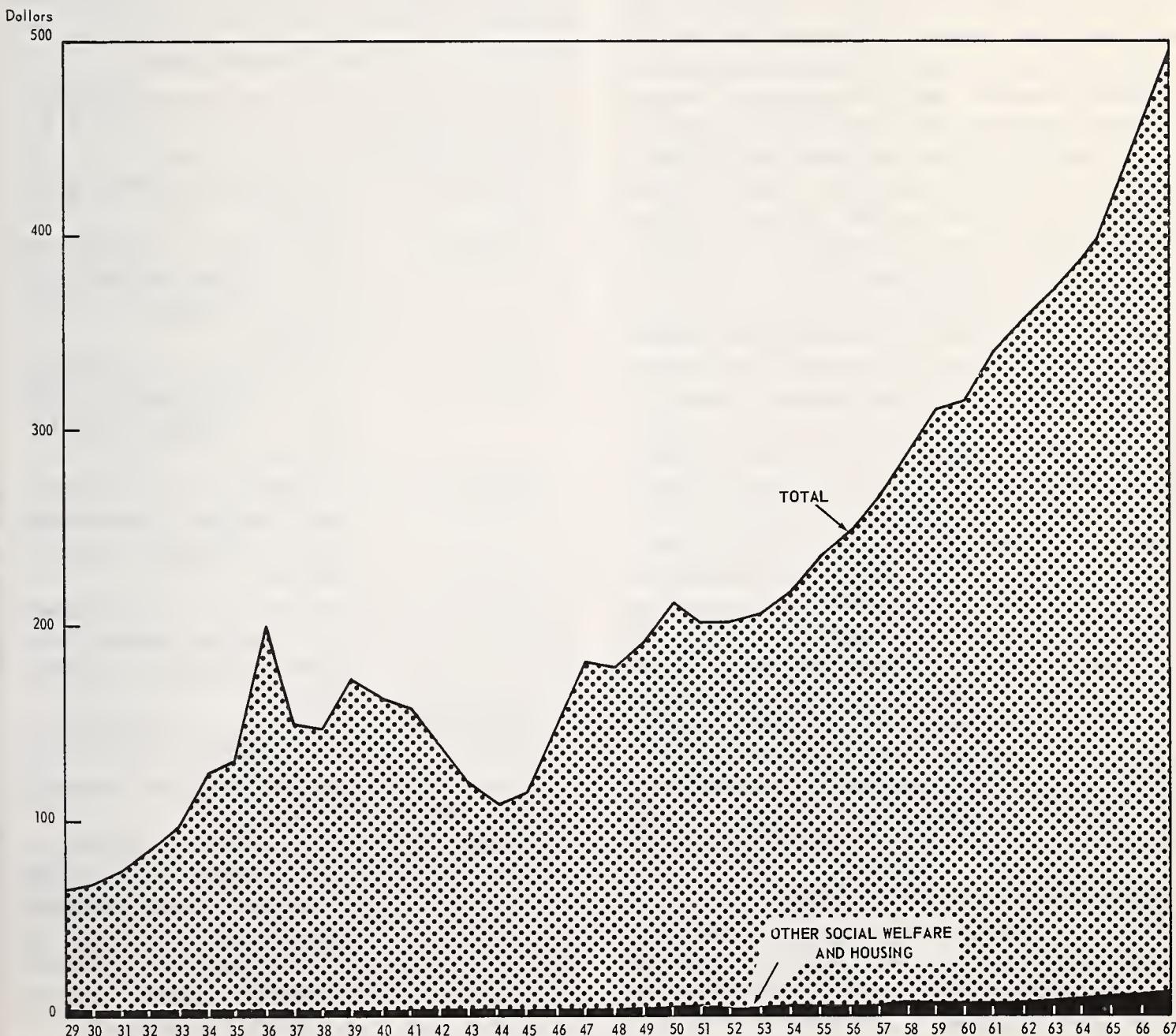
² The residual category "Other public welfare" may also have a few other expenditures that had a Federal origin (but were disbursed through State and local channels) such as Federal assistance to State homes for veterans, and Federal assistance under antipoverty programs. No attempt has been made to adjust for these minor items.

Census of Governments made no separation between assistance payments and administration. It does not appear that in compiling the *Historical Statistics* in 1962 the Census Bureau had any basis for separating the two, and it is assumed that they did not try to do so. It is further assumed from discussion with Census of Governments personnel that starting about fiscal year 1945 public assistance administration began to be included with "Other public welfare" but only to the partial extent to which administration was reported separately by the

States and localities. For these reasons, beginning with 1945, 60 percent of the combined child welfare services and public assistance administration expenses have been deducted from "Other public welfare." Sixty percent of the total is the approximate equivalent of the preceding year's 100 percent of child welfare and about 30 percent of public assistance administration. The 60 percent is then gradually increased until it reaches 100 percent in 1950.

The reasonableness of these assumptions is further supported by the fact that if public

Chart 26.—Per capita expenditures in constant 1967 dollars for total social welfare and 'other social welfare,' including housing, 1929-67



assistance administration expenses are deducted in full from "Other public welfare," the net result for some of the early years is a minus figure and quite unlikely net figures for other years.

From fiscal year 1950 through 1961 it is assumed that expenditures for child welfare services and public assistance administration are both (a) fully reported in the *Census of Governments* and (b) the same as the Federal agency reports of expenditures for the two. Therefore, 100 percent of the amounts appearing elsewhere in the social welfare series for child welfare services and public assistance administration have been subtracted from "Other public welfare." From fiscal year 1951 on, however, the "Other public welfare" data are taken (or interpolated) from the annual *Census of Governments* volumes because public assistance vendor medical payments, which began in that year with Federal participation, were included in these volumes with "Other public assistance" rather than "Other public welfare." Thus, using the annual Census volumes instead of the *Historical Statistics* avoids another subtraction item.

In fiscal year 1962, however, the annual Census volumes began to report public assistance vendor payments for medical care under "Other public welfare," and it became necessary to adjust for this item. About half of the vendor payments for hospital care are made to hospitals operated by the same local government making the payments and are classified by the *Census of Governments* under "Hospitals"; they need not be subtracted from "Other public welfare." *Census of Governments* personnel estimate that only about 65 percent of the sums reported by the Federal Bureau of Family Services as vendor payments are reported by the States and localities to the *Census Bureau*. Therefore, only 65 percent of the Federal agency reported vendor payment expenditures (less half of hospital vendor payments) has been subtracted from "Other public welfare."

LIMITATIONS OF THE DATA

The main limitation of using the residual "Other public welfare" as a statistical base is uncertainty about how much of what is included in which years. Specifically, from the

Census Bureau definitions one knows that in addition to institutional care and a few other welfare services for all years, some expenditures are also included for certain years for items already included elsewhere in the social welfare expenditure series. The adjustments that have been made in the series to avoid this duplication are necessarily arbitrary but are believed to be reasonable in light of the historical trend.

Another limitation is the fact that fees and income received from other sources are not deducted, although there undoubtedly have been payments to institutions for adult or child recipients of care. *Census of Governments* data on charges and miscellaneous revenues are not available with appropriate breakdown.

SUMMARY OF METHODOLOGY

The following tabulation summarizes the subtraction procedures:

FY 1929-34:	No subtractions
1935-44:	100 percent of child welfare services
1945-46:	60 percent of combined child welfare services and public assistance administration
1947:	65 percent of combined child welfare services and public assistance administration
1948:	75 percent of combined child welfare services and public assistance administration
1949:	90 percent of combined child welfare services and public assistance administration
1950-61:	100 percent of combined child welfare services and public assistance administration
1962 to date:	100 percent of combined child welfare services and public assistance administration and 65 percent of public assistance vendor payments (less 1/2 vendor payments to hospitals)

The deductions have been totaled and rounded to the nearest \$1 million because the basic Census data are rounded to millions. All final figures from fiscal year 1935 on have been

rounded to the nearest \$5 million to compensate, in part at least, for inaccuracies resulting from the arbitrary and unrefined method of estimation.

School Meals

DESCRIPTION OF THE PROGRAM

School meals is used here to include all public food and associated programs for the school-age population. It includes the national school lunch program, the special milk program, the surplus and price-supported food programs distribution to schools, and—starting in fiscal year 1967—the pilot school breakfast program and a cash assistance program for equipment acquisition.

The national school lunch program—and its close associate, the special milk program—currently provide a nutritionally balanced, usually hot, daily meal to about 18 million elementary and secondary school children in public and nonprofit private schools throughout the United States and its possessions abroad. The milk program also is available during school vacations to all nonprofit summer camps and day-camps, and—year-round—to nonprofit child care institutions.

The school lunch and milk programs are operated by the U.S. Department of Agriculture through contractual agreements with State education agencies. These, in turn, approve the schools for participation, enter into contractual agreements with local sponsors and provide general supervision of local programs. In States where laws prohibit payment of public funds to private schools (29 States in fiscal year 1966) the Department of Agriculture signs the agreements with local sponsors of the private school programs and assumes the functions that the State agency performs for the public schools.

Agreements signed by the State education agencies and local sponsors include three basic program requirements: (1) the program must be nonprofit—all receipts must be used to improve the meals, reduce their price, or both; (2) the meals must be offered free or at a reduced price to children unable to pay the full

price; (3) the meals served must meet nutritional standards set by the Department of Agriculture.

School meal activities are financed by the Federal Government through grants in cash and in kind, and on the State and local level by direct appropriation, by payments of parents for the lunches consumed, and by donations of cash and food preparation and service equipment from women's clubs, businessmen's service groups, and other interested civic organizations. Federal funds are expended for reimbursing schools for part of the cost of the food purchased. The grant formula provides "equalization" to the extent that the sum granted varies directly with a State's need for the program and inversely with the financial ability of the State and its localities to support the program. The total amount of Federal assistance also depends on the amount spent for food and the number and type of lunches served.

Only the Federal cash apportionment must be matched. The National School Lunch Act of 1946 permits parents' payments and local privately raised funds to be included in the non-Federal matching money. Low-income areas are further assisted in that the required rate of non-Federal matching in States with average per capita income below the national average varies directly with financial ability. Since 1966 special cash assistance payments have been made to schools in poverty areas.

In fiscal year 1966, total Federal cash payments were \$141 million for school lunches. The State and local total from all sources was \$1.2 billion, of which \$122 million was direct State and local appropriation, \$853 million parents' payments, and \$210 million local contributions.

Federal grants-in-kind go to the school lunch program under three continuing Federal programs: Section 6 of the National School Lunch

Act authorizes use of part of the annual school lunch appropriation for large-scale purchase of food for the program; Section 32 of the Agricultural Act of 1935 authorizes donations of commodities from the surplus removal program to the school lunch program; and Section 416 of the Agricultural Act of 1949 authorizes donation of price-supported and perishable foods of the Commodity Credit Corporation (CCC) to the school lunch program.

In fiscal year 1966, the value of foods distributed through the school lunch program totaled \$175 million: \$58 million of Section 6 foods, and \$117 million of Section 32 and Section 416 foods. In addition, \$97 million (cash) was supplied through the special milk program under the Agricultural Act of 1954.

NATURE OF EXPENDITURES AND THE SOURCE OF DATA

In the social welfare series the following expenditures are included under the school meals program: all Federal expenditures in cash and in kind starting in 1936, and the direct appropriations of State and local governments starting in 1947. National aggregates of State and local school meal expenditures were not compiled prior to passage of the National School Lunch Act of 1946. The Federal expenditures include the cash apportionment (grants) and Section 6 food distribution under the School Lunch Act, the value of the surplus foods distributed to schools under Section 32 of the Agricultural Act of 1935, and the value of CCC commodities distributed to schools under Section 416 of the Agricultural Act of 1949, and—also from CCC appropriated funds beginning in 1954—the expenditures for the special milk program. In addition, a figure is included for Federal administration. The State and local direct appropriations go for program administration at those governmental levels as well as for local food purchases.

Excluded from the series are all payments for the meals themselves and all local funds raised and donated privately. (In fiscal 1966, the excluded items were the source of about \$1 billion of the total of \$1.6 billion actually expended for the school meals program in the U.S.)

Also excluded—for the early years (see

below)—are the costs of food preparation and service labor contributed by the work programs financed by the Federal Government during the depression; these are accounted for in the social welfare series under "Public aid."

All financial data on the school meals program are furnished by the Consumer and Marketing Service of the U.S. Department of Agriculture. Cash apportionment payments are furnished on an obligations basis, but since the school year and the Federal fiscal year end at approximately the same time, obligations tend to coincide with expenditures during the fiscal year. The value of all food distribution is computed in the Department of Agriculture, which also furnishes the State and local expenditure data. The value assigned is the total cost to the Federal Government of acquisition and distribution of the commodities; it includes commodity cost, warehousing, transportation, processing, repackaging, and handling charges.

PROGRAM DEVELOPMENTS

Some communities in the United States made sporadic efforts to provide school lunches and/or milk to children beginning about the time of World War I. It was not until after World War II that the program with Federal cash participation on a permanent legislative basis was established. Federal aid for local school meals began in 1933, with Reconstruction Finance Corporation loans to several Missouri communities for labor costs of preparing and serving the meals. By the end of 1934, this type of assistance was being provided in 39 States through the Civil Works Administration and the Federal Emergency Relief Administration. The Works Progress Administration and National Youth Administration later provided labor and trained management personnel for lunchroom operations. (See public aid section.)

The school meals program enters the social welfare expenditure series in its own right in fiscal year 1936 following passage of permanent legislation, Section 32, Public Law 320, 74th Congress, August 24, 1935. This legislation authorized Federal assistance in the form of donations of surplus commodities to nonprofit school lunch programs, charitable institutions, and welfare recipients. In June

1940, a school "penny milk" program was started with Section 32 funds; this was in addition to the surplus removal donations for school lunches. The Agricultural Appropriations Act of 1944 (Public Law 129, 78th Congress, 1st sess., July 12, 1944) established Federal cash payments for local food purchase by school lunch authorities and merged the "penny milk" program with it. Under this "indemnity plan" schools were reimbursed in cash for the purchase of seasonal or overabundant foods used in certain defined types of school lunches, thus assuring continuity of Federal assistance regardless of whether there was a surplus of food.

The National School Lunch Act (Public Law 396, 79th Congress, 2d sess.) was signed on June 4, 1946. After 11 years of operation on the basis of authority contained in annual Department of Agriculture Appropriation Acts the program was thus accorded permanent statutory authority and a specific, well-defined variable grant formula. The 1946 Act set up a matching schedule under which from fiscal year 1947 through 1950 each Federal dollar would be matched by \$1 from sources within the States, from 1951 through 1955 by \$1.50, and for 1956 and thereafter, by \$3. This schedule has never been amended. Section 6 of the Act authorizes the Secretary of Agriculture to use part of the annual school lunch appropriation for large-scale purchases of food for the program. Currently, about 30 percent of Federal aid under the School Lunch Act has been in the form of these "Section 6" foods. This does not include surplus food donations—the "Section 32" donations. A decade ago "Section 6" foods amounted to 15–18 percent of expenditures under the Act, but they have occasionally (1960 and 1961) accounted for as much as 40 percent.

Donations of CCC price-supported commodities and perishable foods were added to the program by Section 416 of the Agricultural Act of 1949, Public Law 439, 81st Congress, 1st sess., October 31, 1949. The purpose: "To prevent the waste of food commodities acquired through price support operations which are found to be in danger of loss through deterioration or spoilage." The "point of spoilage" requirement was removed in 1954 so that commodities may now be bought and distributed

while they are in prime condition. The same 1954 Act also enabled the Commodity Credit Corporation to pay costs of reprocessing and repackaging its donable foods as well as a large part of the delivery costs.

The special milk program was authorized by the Agricultural Act of 1954, Public Law 690, 83d Congress, 2d sess., August 28, 1954. It provided, on a 2-year basis, for nonprofit schools and camps, child-care centers and similar institutions operating on a public welfare and charitable basis to participate in the program. It allowed a half-pint of milk a day in addition to that consumed as part of the school lunches. It has been extended since 1956 on a more or less permanent basis to all nonprofit camps and child-care institutions.

The program was also the recipient, in fiscal year 1950, of a one-time distribution of Irish potatoes acquired by the Federal Government under the 1949 CCC price support program of Public Law 471, 81st Congress, March 31, 1950.

Two new parts of the school meals program were authorized by the Child Nutrition Act of 1966, P.L. 89-642, October 11, 1966. Operations began in January 1967 and are not yet reflected

SCHOOL MEALS PROGRAM

[In millions]

Fiscal year	Aggregate expenditures from public and private funds	Total public funds	Total private funds ¹
1947.....	\$280.3	\$100.3	\$130.1
1948.....	278.1	117.1	161.0
1949.....	314.2	131.8	182.4
1950.....	869.1	160.2	208.9
1951.....	405.9	166.0	239.8
1952.....	435.0	154.2	280.8
1953.....	514.2	191.9	322.8
1954.....	595.3	240.3	355.1
1955.....	629.9	239.6	390.3
1956.....	743.9	294.4	449.5
1957.....	865.8	364.0	501.8
1958.....	876.7	325.4	551.2
1959.....	986.7	368.4	618.3
1960.....	1,081.9	398.7	683.2
1961.....	1,135.2	405.5	729.7
1962.....	1,257.6	463.7	793.9
1963.....	1,330.2	479.8	850.4
1964.....	1,429.8	521.6	908.2
1965.....	1,597.3	617.4	979.9
1966.....	1,600.6	537.4	1,063.2

¹ Parents' payments for lunches and contributions by local organizations.

in the statistics. They include the school breakfast program which is similar in operation to the lunch program, and a nonfood cash assistance program for local purchase of food preparation and storage equipment. Authority for the ongoing special milk program is now also subsumed under the Child Nutrition Act of 1966.

In summary, local school meals programs

have received Federal aid in the form of labor or loans to pay labor during the depression years, food commodities since fiscal 1936, cash grants since 1947, and additional milk since 1955. To indicate the relative financial importance to the school meals program of public and private funds, the aggregate expenditures are shown in the tabulation on page 181, divided into public and private sources.

Child Welfare Services

DESCRIPTION OF THE PROGRAM

Federal support for child welfare services originated with the Social Security Act of 1935. Under title V, Federal matching grants to State public welfare agencies are used to encourage and assist in the development, extension, and improvement of social services for the protection and care of homeless, dependent, and neglected children and children in danger of becoming delinquent. Services include foster care, day care, protective services, services to children in their own homes, services to unmarried parents, adoption and homemaker services.

Federal grants are also provided to public and other nonprofit agencies or institutions of higher learning for research and demonstration projects and to institutions of higher learning for the training of personnel in the child welfare field.

All 50 States, the District of Columbia, the Virgin Islands, Puerto Rico, and Guam receive Federal grant funds for child welfare services. The Federal amounts are small in relation to the expenditures of State and local governments. In recent years, State funds have accounted for roughly half of all child welfare expenditures, local funds for 40 percent, and Federal funds for the remainder. About three-quarters of combined State and local expenditures are for foster care outside public institutions. The rest of State and local expenditures go for the employment of professional child welfare staff and for such professional and facilitating services as homemaker, day-care, adoption, services to unmarried mothers, and protective service pro-

grams. Federal funds are primarily for employment of child welfare staff, including the financing of educational leave for graduate training of staff.

The matching grant funds for services are apportioned among the States according to a formula that takes into account the number of children under 21 years in the State and the per capita income of the State. The Federal share ranges from one-third to two-thirds, in inverse relation to the per capita income of the State.

The grant program is administered by the Children's Bureau of the Department of Health, Education, and Welfare, which reviews and approves State plans for use of funds.

NATURE OF EXPENDITURES AND THE SOURCE OF DATA

Federal data relate exclusively to expenditures made in connection with the Federal grant programs for child welfare services under title V of the Social Security Act of 1935, as reported by the Children's Bureau. State and local expenditures include such items as foster-care payments to individuals and to voluntary agencies and institutions. They include expenditures that are in excess of those required by law to match Federal funds. Expenditures of public institutions for children are not included here, but elsewhere under "Institutional care." Also excluded are expenditures of courts serving children. State and local government figures are estimated by the Children's Bureau on the basis of reports from the States.

The total includes Federal expenditures for

research and demonstration programs, which are also shown separately. Special Federal grants to educational institutions for training personnel are not shown here. They are included under the category, "Education."

Administrative expenditures of the Children's Bureau are included in the total and also shown separately. The administrative expenditures of the State and local agencies are not available separately and to the extent included are shown with program expenditures.

State and local child welfare service expenditures for the years prior to the enactment of the Social Security Act are not available, except for 1935. Federal expenditures for 1936 are for February-June 1936 only.

PROGRAM DEVELOPMENTS

Although the basic purpose of the Federal program has remained generally unchanged since 1935, the amounts authorized for grants were increased in 1939, 1946, 1950, 1956, 1958, 1960, 1962, and 1965. In 1950 specific authorization was also added for paying the cost of returning runaway children.

The law originally provided for local child welfare services in areas predominantly rural and other areas of special need. The 1958 amendments to the Social Security Act eliminated the reference to rural areas and other areas of special need. Federal funds became available to urban children on the same basis as for rural children. Matching requirements and reallocation provisions were added.

The 1960 Social Security amendments added a separate authorization for grants for special research or demonstration programs in the field of child welfare.

Under the 1962 Public Welfare amendments, funds were earmarked for day-care services and specific conditions added for approval of State plans providing day-care services. Special project grants were also authorized to public or other nonprofit institutions of higher learning for training personnel for work in the field of child welfare, including traineeships.

The 1965 amendments to the Social Security Act deleted the provision earmarking funds for day-care services, but Federal child welfare funds continue to be available for day-care services.

Special OEO Programs

DESCRIPTION OF THE PROGRAMS

This category refers to several programs authorized under the Economic Opportunity Act of 1964 and administered by the Office of Economic Opportunity (OEO) as part of the "War on Poverty." Not all programs authorized under that law are included here. Such work-experience programs as the Job Corps and the Neighborhood Youth Corps, which are similar in nature to the work-relief programs of the 1930s, are included under "Other public aid." Programs with specific educational aspects are included under "Education." These include: "Work-study," "Adult basic education," and "Head Start."

Included here are (1) community action program (except "Head Start"), (2) migrant-seasonal farm-worker program, and (3) Volunteers in Service to America (VISTA).

These programs provide a wide range of services that cut across the many functions included in the social welfare series. Because of difficulties involved in separating expenditures for the various kinds of services, it was deemed preferable to keep the programs intact and list each program's expenditures as one item.

(1) The community action program provides stimulation and incentive for communities to mobilize resources to combat poverty. The Office of Economic Opportunity, which administers the program, makes grants to local organizations to finance a wide variety of local actions. It offers technical assistance grants to States for staff support in program development and for research, demonstration, and training projects. These local programs include neighborhood service centers emphasizing early childhood development, legal, and com-

hensive health services.

The formula for apportioning grants to the States takes into account each State's proportionate number of public assistance recipients, unemployed, and children in low-income families. The Federal Government provides up to 90 percent of the funds. The balance may be met by State or local governments or by private nonprofit organizations and institutions, mainly in the form of services or contributions in kind. In fiscal year 1966, Federal expenditures amounted to \$246.5 million.

(2) The migrant-seasonal farm worker program provides Federal grants to help States, local governments, and private nonprofit groups meet the special needs of migrant workers and their families. Services provided include education for adults as well as children, day-care centers and adequate housing and sanitary facilities along the road and in the camps. Financial assistance can also be granted for such projects as establishment and operation of migrant opportunity centers, manpower training projects, and counseling before and after a migrant leaves agricultural work.

Funding is 100 percent Federal. There are no provisions for distributions according to political subdivisions. About \$16.9 million was expended for this program in fiscal 1966.

(3) The Volunteers in Service to America (VISTA) program recruits, selects, trains, and assigns volunteers to work in meeting health, education, welfare, or related needs. The volunteers work with Indians living on reservations, migratory workers and their families, the mentally ill or retarded, and the under-educated and under-employed. Any bona fide organization at any level—neighborhood, larger community, local, or State organization, agency, or institution—may sponsor a VISTA project.

The program is financed by the Federal Government, which expended \$13.8 million on it in fiscal year 1966.

NATURE OF EXPENDITURES AND THE SOURCE OF DATA

Program data for the three antipoverty programs are included in their entirety except that expenditures for Project Head Start have been subtracted from the community action program.

Administrative expenses are for the general direction and administration of the Office of Economic Opportunity. They include some non-separable administrative expenses incurred in connection with antipoverty programs other than the three listed in this section.

The data are from the *U.S. Budget Appendix*.

One of the programs—the community action program—requires non-Federal contributions of at least 10 percent, most of which takes the form of services or in-kind contributions provided by private nonprofit organizations and individuals. The series here does not include any amounts for State and local government expenditures because of the difficulty at this stage of the program of separating such expenditures from volunteer services and the expenditures of private nonprofit organizations. To some extent, State and local government expenditures for the antipoverty programs may be picked up in the Bureau of the Census annual series on *Governmental Finances* and thus appear in the social welfare expenditure series under such categories as "Other social welfare: Institutional care" and "Health and medical programs: Other public health activities." It is also possible that some of the State and local expenditure data reported under the "Education" and "Public aid" categories include some antipoverty program data.

Social Welfare, Not Elsewhere Classified

The Federal activities here do not readily fall into the other classifications, including for the most part some aspect of administration con-

cerned with overall planning, research, coordination, direction, or supervision of social welfare programs.

DESCRIPTION OF THE PROGRAMS AND NATURE OF EXPENDITURES

Salaries and expenses, Office of the Secretary of HEW.—The Office of the Secretary of Health, Education, and Welfare—and (1940–52) of his predecessor, the Administrator of the Federal Security Agency—is responsible for the overall direction and coordination of the Department's programs. This mission is accomplished with the assistance of the Offices of the Comptroller and the General Counsel. The expenses of all of these are included here. No trust or operating fund expenditures, expenditures for national defense-related activities, or vocational rehabilitation, are included. The latter appear with program expenses for rehabilitation.

Indian welfare and guidance services.—The Department of the Interior, Bureau of Indian Affairs, provides various social services to Indians living on reservations. These have included over the years such items as "support and rehabilitation of needy Indians," general welfare services, and, from 1950–61, relocation services for Indians who have moved off the reservation. From 1962 on, when relocation services were combined with adult education, they appear in the "Education" section of the social welfare expenditures.

Aging activities.—The Administration on Aging, created in 1965, succeeds several agencies as the focal point for policy formation and coordination of Federal programs affecting older persons. Expenditure data are available for its immediate predecessor, the Office of Aging, for the fiscal years 1962 through 1964, but separate figures are not available for the Special Staff on Aging, established in the Office of the Secretary in 1956. Other expenditures are for the White House Conference on Aging, held in January 1961, and for the President's Council on Aging, an inter-departmental coordinating body.

Since 1966 the Administration on Aging has made grants for community planning for the aging, for services and training, and for research and demonstration projects in the field.

Cooperative research and demonstration projects in social security.—The 1956 amendments

to the Social Security Act authorized grants from general funds for research or demonstration projects in the prevention and reduction of economic dependency and the more effective organization of social security and welfare programs. Originally under the Commissioner of Social Security, since 1963 the program has been administered by the Welfare Administration in cooperation with the Social Security Administration. The appropriated funds are allocated between the two DHEW constituents on the basis of approximately 70 percent for projects related to the mission of the Welfare Administration and 30 percent for projects related to the mission of the Social Security Administration.

Data in this section of the series represent expenditures for projects related to the Welfare Administration; the Social Security Administration's share appears with OASDHI expenditures under "Social insurance." Expenditures from fiscal year 1961, the first year of appropriations under the 1956 authority, to formation of the Welfare Administration in 1963 were similarly allocated.

Juvenile delinquency activities.—In general, the Federal role in preventing and combating juvenile delinquency has been to provide technical and professional assistance for program development at all government levels. The assistance includes advisory opinions on organizational, administrative, and personnel aspects of State, local, and private juvenile delinquency programs. The 1961 Juvenile Delinquency and Youth Offenses Control Act empowered the Federal Government to make grants for demonstration, evaluation, and training projects, and for professional assistance in personnel development.

Juvenile delinquency program administration was centered first in the Children's Bureau. Later it was in the Office of Juvenile Delinquency and Youth Development, which was attached to the Secretary of HEW and subsequently to the Welfare Administration, although the Children's Bureau has a continuing responsibility. The President's Committee on Juvenile Delinquency and Youth Crime (established by Executive Order 10940, May 11, 1961) is composed of the Secretaries of HEW, Labor, and the Attorney General. The Committee co-

ordinates Federal programs, intergovernmental information-sharing, and program experimentation and innovation.

Expenditure data (*Budget obligations*) have been included for all juvenile delinquency activities of the foregoing Federal agencies, except the training grants which are reported with "Education." The thrust of certain other Federal programs—for example, the antipoverty and child welfare programs included elsewhere in the series—has been toward other explicit goals. These programs have most probably included expenditures involving the lessening of juvenile delinquency. State and local expenditures are not available separately; they are commingled with antipoverty program and institutional care expenditures in those sections of "Other social welfare."

Resettlement of Cuban refugees.—Under the Cuban refugee program, the Federal Government provides funds to public and private welfare agencies for welfare assistance and services, resettlement, education, and health services to refugees. The expenditures included here are limited to those for resettlement of Cuban refugees. Expenditures for welfare assistance and services, education, and health services are reported, respectively, in the "Other public aid," "Education," and "Health and medical programs" components of the series.

To accomplish the resettlement objective, which includes finding employment in the new community, the Federal Government contracted with four national nonprofit voluntary agencies, paying them a flat fee plus reimbursement of out-of-pocket travel expenses for each Cuban refugee resettled outside Miami, Florida.

Salaries and expenses, Office of the Commissioner of Welfare.—The Welfare Administration existed as a DHEW entity from 1963 to 1967. Expenditures of the Commissioner's office are for the direction and coordination of the programs under Welfare

Administration jurisdiction. In 1963 these programs included categorical public assistance programs administered by the Bureau of Family Services, maternal and child health and welfare programs of the Children's Bureau, and programs of the Office of Aging, the Office of Juvenile Delinquency and Youth Development, and for the Cuban refugees. The Commissioner's office also conducts research into the broader phases of social welfare.

Manpower activities.—The Manpower Administration was established in February 1963 to provide more coordinated leadership and direction of the many manpower programs and activities of the Department of Labor. It encompassed the former Office of Automation and Manpower and the Bureaus of Employment Security and Apprenticeship and Training. Expenditures reported here (in the form of *Budget obligations*) include costs of executive direction, administration, and coordination of manpower activities; financial management of the Manpower Development and Training Act; and a program of automation and manpower research. Excluded are costs of employment security operations and all training allowances, which appear in the social insurance section of the series, as well as training costs, which appear under "Education." Excluded from the series completely are the costs of arranging for apprenticeships and on-the-job training by employers.

SOURCES OF DATA

In the absence of expenditure data with the appropriate breakdown required for this residual social welfare group, obligations data has been used from *U.S. Budget* documents for all but one program. The data for cooperative research and demonstration projects in social security are from agency records.

PART III

STATISTICAL TABLES, 1929-66

Table

- I. Summary of expenditures for social welfare under public programs, fiscal years, 1929-67
- II. Federal funds for social welfare expenditures under public programs as percent of total expenditures, fiscal years, 1929-67
- III. Social welfare expenditures under public programs as percent of gross national product, selected fiscal years, 1890-1967
- IV. Per capita social welfare expenditures under public programs, in actual and constant 1967 prices, fiscal years, 1929-67
- V. Social welfare expenditures in relation to government expenditures for all purposes, selected fiscal years, 1929-67

- 1-1. Social insurance: Summary of program and administrative expenditures, fiscal years, 1929-66
- 1-2. Social insurance: Summary of program expenditures (excluding administration), fiscal years, 1929-66
- 1-3. OASDHI: Program and administrative expenditures, fiscal years, 1936-66
- 1-4. Railroad retirement: Program and administrative expenditures, fiscal years, 1936-66
- 1-5. Public employee retirement: Program and administrative expenditures, fiscal years, 1929-66
- 1-6. Unemployment insurance and employment service: Program and administrative expenditures, fiscal years, 1934-66
- 1-7. Railroad unemployment insurance: Program and administrative expenditures, fiscal years, 1939-66
- 1-8. Railroad temporary disability insurance: Program and administrative expenditures, fiscal years, 1948-66
- 1-9. State temporary disability insurance: Program and administrative expenditures, fiscal years, 1948-66
- 1-10. Workmen's compensation: Program and administrative expenditures, fiscal years, 1929-66

- 2-1. Public aid: Summary of expenditures, fiscal years, 1929-66
- 2-2. Public assistance: Payments and administrative expenditures, fiscal years, 1929-66

Table

- 2-3. Public assistance: Expenditures for money payments and vendor medical payments (excluding administration), fiscal years, 1950-66
- 2-4. Other public aid: Program and administrative expenditures, fiscal years 1929-66

- 3-1. Health and medical programs: Summary of expenditures, fiscal years, 1929-66
- 3-2. Hospital and medical care: Federal expenditures under civilian programs, fiscal years, 1929-66
- 3-3. Hospital and medical care: Federal expenditures under Department of Defense programs, fiscal years, 1929-66
- 3-4. Hospital and medical care: State and local expenditures, fiscal years, 1929-66
- 3-5. Maternal and child health programs: Program and administrative expenditures, fiscal years, 1929-66
- 3-6. Medical research expenditures, fiscal years, 1931-66
- 3-7. School health (educational agencies): State and local expenditures, fiscal years, 1929-66
- 3-8. Other public health activities: Federal expenditures, fiscal years, 1929-66
- 3-9. Other public health activities: State and local expenditures, fiscal years, 1929-66
- 3-10. Medical-facilities construction: Federal expenditures under Department of Defense programs, fiscal years, 1941-66
- 3-11. Other medical-facilities construction: Federal expenditures, fiscal years, 1929-66
- 3-12. Medical-facilities construction: State and local expenditures, fiscal years, 1929-66
- 3-13. Health and medical care: All expenditures under public programs, fiscal years, 1929-66

- 4-1. Veterans' programs: Summary of expenditures, fiscal years, 1929-66
- 4-2. Federal expenditures for veterans' programs, fiscal years, 1929-66
- 4-3. State and local expenditures for veterans' programs, fiscal years, 1937-66

Table

- 5-1. Education: Summary of expenditures, fiscal years, 1929-66
- 5-2. Federal expenditures for education, fiscal years, 1929-66
- 5-3. State and local expenditures for elementary-secondary and vocational-adult education and construction, fiscal years, 1929-66
- 5-4. State and local expenditures for higher education, fiscal years, 1929-66
- 5-5. Emergency funds for education, fiscal years, 1934-43
- 5-6. Fellowships, traineeships, and training grants, fiscal years, 1950-66
- 6-1. Housing: Summary of expenditures, fiscal years, 1934-66
- 6-2. Federal expenditures for housing, fiscal years, 1934-66

Table

- 6-3. State and local expenditures for housing, fiscal years, 1951-66
- 7-1. Other social welfare: Summary of expenditures, fiscal years, 1929-66
- 7-2. Vocational rehabilitation: Program and administrative expenditures, fiscal years, 1929-66
- 7-3. Institutional care: Federal expenditures, fiscal years, 1929-66
- 7-4. Institutional care: State and local expenditures, fiscal years, 1929-66
- 7-5. School meals expenditures, fiscal years, 1939-66
- 7-6. Child welfare services: Program and administrative expenditures, fiscal years, 1935-66
- 7-7. Special OEO (Office of Economic Opportunity) programs: Federal expenditures, fiscal years, 1965-66
- 7-8. Social welfare, not elsewhere classified: Federal expenditures, fiscal years, 1940-66

TABLE I.—Summary of expenditures for social welfare under public programs, fiscal years, 1929–67

[In millions]

Expenditures	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39
<i>Total</i>											
Total social welfare.....	\$3,921.2	\$4,084.9	\$4,200.8	\$4,303.4	\$4,462.2	\$5,832.0	\$6,548.3	\$10,184.2	\$7,858.2	\$7,923.5	\$9,212.9
Social insurance.....	342.4	360.9	368.3	355.3	343.9	361.8	406.3	455.6	545.2	848.6	1,181.2
Public aid.....	60.0	77.8	164.0	255.9	689.1	2,530.5	2,997.6	3,079.4	3,436.0	3,232.9	4,229.6
Health and medical programs.....	351.1	378.1	405.8	434.5	417.6	400.3	427.2	453.9	500.1	539.5	575.2
Veterans' programs.....	657.9	667.8	744.3	825.0	818.8	529.5	597.5	3,825.5	892.7	627.3	606.1
Education.....	2,433.7	2,522.8	2,439.6	2,351.8	2,104.0	1,913.8	2,007.5	2,227.6	2,375.7	2,563.0	2,503.7
Housing.....	76.2	77.5	78.8	80.9	88.8	95.8	99.0	100.5	105.4	108.2	113.8
Other social welfare.....											
<i>Federal</i>											
Total social welfare.....	798.4	817.1	911.0	1,002.3	1,338.8	2,771.0	3,207.2	6,505.9	3,788.1	3,254.6	3,986.8
Social insurance.....	55.9	60.3	68.9	74.6	81.2	94.6	118.9	132.9	193.3	295.2	357.8
Public aid.....					344.8	2,003.8	2,373.7	2,309.6	2,494.1	2,075.3	2,870.7
Health and medical programs.....	46.7	47.4	50.8	55.1	51.8	48.0	49.5	54.5	69.7	72.6	79.0
Veterans' programs.....	657.9	667.8	744.3	825.0	818.8	529.5	597.5	3,825.5	880.4	615.1	596.3
Education.....	36.5	40.1	45.3	45.9	40.7	93.0	52.7	138.6	143.4	187.5	72.7
Housing.....											
Other social welfare.....	1.4	1.5	1.7	1.7	1.7	1.6	1.7	3.2	4.1	5.0	6.9
<i>State and local</i>											
Total social welfare.....	3,122.8	3,267.8	3,289.8	3,301.1	3,123.4	3,061.1	3,341.1	3,678.3	4,070.1	4,669.0	5,226.2
Social insurance.....	286.5	300.6	299.4	280.8	262.8	267.2	287.4	322.7	351.8	553.4	823.3
Public aid.....	60.0	77.8	164.0	255.9	344.4	526.7	623.9	769.8	942.0	1,157.6	1,358.9
Health and medical programs.....	304.4	330.7	355.0	379.4	365.8	352.3	377.7	399.3	430.3	466.9	496.2
Veterans' programs.....											9.8
Education.....	2,397.2	2,482.7	2,394.3	2,305.9	2,063.3	1,820.7	1,954.8	2,089.1	2,232.3	2,375.5	2,431.0
Other social welfare.....	74.8	76.0	77.1	79.2	87.2	94.2	97.2	97.4	101.3	103.3	107.0
1939-40											
<i>Total</i>											
Total social welfare.....	\$8,795.1	\$8,953.4	\$8,609.2	\$8,283.1	\$8,227.6	\$9,205.3	\$12,797.9	\$17,337.0	\$18,652.3	\$21,164.9	
Social insurance.....	1,271.8	1,330.0	1,375.6	1,258.7	1,255.7	1,409.4	3,652.1	4,160.0	3,602.8	4,185.8	
Public aid.....	1,597.0	3,523.7	2,777.1	1,549.7	1,031.5	1,030.6	1,150.6	1,441.8	1,702.0	2,089.1	
Health and medical programs.....	615.5	724.4	948.7	1,885.8	2,225.1	2,354.2	1,904.1	1,367.0	1,416.0	1,753.1	
Veterans' programs.....	629.0	612.9	645.4	623.3	720.0	1,125.8	2,402.9	5,682.5	6,638.2	6,926.7	
Education.....	2,561.2	2,617.2	2,694.2	2,793.3	2,800.4	3,076.3	3,296.8	4,089.0	4,897.3	5,806.6	
Housing.....	4.2	8.9	14.3	13.6	13.3	11.1	158.7	280.9	27.3	7.7	
Other social welfare.....	116.4	136.4	153.9	158.6	181.6	197.9	232.7	315.6	368.8	395.9	
<i>Federal</i>											
Total social welfare.....	3,443.1	3,660.3	3,605.3	3,684.2	3,758.7	4,339.4	6,343.3	9,794.1	9,481.7	10,252.4	
Social insurance.....	393.8	470.0	531.7	565.1	630.8	734.9	1,912.6	2,605.0	2,039.8	2,103.1	
Public aid.....	2,243.1	2,187.6	1,698.0	818.3	427.5	420.1	449.2	617.2	724.0	941.5	
Health and medical programs.....	96.6	231.5	470.7	1,382.7	1,725.4	1,801.4	1,273.3	554.7	421.2	522.0	
Veterans' programs.....	619.8	604.5	636.9	616.9	713.4	1,118.5	2,348.5	5,504.4	6,001.1	6,399.8	
Education.....	74.7	135.8	217.9	251.3	192.7	187.3	126.5	129.4	140.7	138.5	
Housing.....	4.2	8.9	14.3	13.6	13.3	11.1	158.7	280.9	27.3	7.7	
Other social welfare.....	10.9	22.0	35.8	36.2	55.6	66.1	74.5	102.5	127.6	139.8	
<i>State and local</i>											
Total social welfare.....	5,351.0	5,293.1	5,003.9	4,598.9	4,468.9	4,865.9	6,454.6	7,542.9	9,170.6	10,912.5	
Social insurance.....	878.0	860.0	843.9	693.6	624.8	674.5	1,739.5	1,555.0	1,563.1	2,082.7	
Public aid.....	1,352.8	1,336.1	1,079.1	731.3	604.0	610.4	701.5	824.7	977.9	1,147.6	
Health and medical programs.....	518.9	492.9	478.0	503.1	499.7	552.8	630.7	812.4	994.7	1,231.1	
Veterans' programs.....	9.2	8.3	8.5	6.5	6.6	7.4	54.4	178.1	637.1	526.9	
Education.....	2,486.6	2,481.5	2,476.3	2,542.0	2,607.7	2,889.0	3,170.4	3,959.6	4,756.6	5,668.1	
Other social welfare.....	105.5	114.4	118.1	122.5	126.0	131.8	158.1	213.1	241.2	256.0	

¹ Includes \$1.0 million not distributed by source of funds.

TABLE I.—Summary of expenditures for social welfare under public programs, fiscal years, 1929–67—Continued

[In millions]

Expenditures	1949–50	1950–51	1951–52	1952–53	1953–54	1954–55	1955–56	1956–57	1957–58
<i>Total</i>									
Total social welfare.....	\$23,508.4	\$24,054.7	\$25,576.4	\$27,044.9	\$29,546.8	\$32,639.9	\$35,130.6	\$39,350.4	\$45,456.9
Social insurance.....	4,946.6	4,772.2	5,671.0	6,607.3	8,264.7	9,834.9	10,646.1	12,471.8	15,956.7
Public aid.....	2,496.2	2,591.7	2,584.7	2,727.9	2,788.2	3,003.0	3,114.7	3,308.5	3,615.4
Health and medical programs.....	2,063.5	2,782.8	3,331.3	3,190.4	3,099.1	3,103.1	3,307.1	3,775.8	4,090.9
Veterans' programs.....	6,865.7	5,996.0	5,255.6	4,734.7	4,630.9	4,833.5	5,061.2	5,118.8	5,426.7
Education.....	6,674.1	7,415.1	8,245.7	9,230.9	10,084.4	11,157.2	12,154.4	13,732.3	15,312.6
Housing.....	14.6	35.0	37.1	50.6	67.4	89.3	111.7	120.2	134.2
Other social welfare.....	447.7	461.9	451.0	503.0	612.1	619.0	735.4	823.0	920.4
<i>Federal</i>									
Total social welfare.....	10,541.1	11,125.6	11,729.9	12,244.2	12,990.3	14,622.9	16,211.7	18,129.5	20,631.2
Social insurance.....	2,103.0	2,723.5	3,342.1	4,224.0	5,093.6	6,385.0	7,534.1	8,926.4	10,856.5
Public aid.....	1,103.2	1,196.4	1,211.3	1,360.8	1,419.5	1,504.2	1,555.4	1,690.0	1,834.9
Health and medical programs.....	603.5	1,169.8	1,585.7	1,380.3	1,209.6	1,150.3	1,256.0	1,410.4	1,567.1
Veterans' programs.....	6,386.2	5,661.3	5,112.9	4,620.6	4,528.1	4,771.9	4,972.0	5,079.6	5,305.3
Education.....	156.7	180.3	307.9	429.3	418.8	485.1	475.7	540.5	607.8
Housing.....	14.6	21.6	25.1	37.9	53.8	74.7	92.0	101.2	110.6
Other social welfare.....	174.0	172.7	144.9	191.3	267.0	251.7	326.6	381.3	349.0
<i>State and local</i>									
Total social welfare.....	12,967.3	12,929.1	13,846.5	14,800.6	16,556.5	18,017.1	18,918.8	21,220.9	24,825.8
Social insurance.....	2,843.6	2,048.8	2,328.9	2,383.3	3,171.1	3,449.9	3,112.0	3,545.3	5,100.2
Public aid.....	1,393.0	1,395.3	1,373.4	1,367.1	1,368.7	1,498.8	1,559.3	1,618.5	1,780.5
Health and medical programs.....	1,460.0	1,613.0	1,745.5	1,810.1	1,889.6	1,952.8	2,051.0	2,365.4	2,523.8
Veterans' programs.....	479.5	334.7	142.8	114.1	102.8	61.6	89.2	39.3	121.4
Education.....	6,517.5	7,234.8	7,937.8	8,801.6	9,665.6	10,672.1	11,678.7	13,191.8	14,704.8
Housing.....	13.4	12.0	12.7	13.7	14.6	19.7	19.0	23.7	23.7
Other social welfare.....	273.7	289.1	306.1	311.7	345.1	367.3	408.8	441.6	571.4
	1958–59	1959–60	1960–61	1961–62	1962–63	1963–64	1964–65	1965–66	1966–67 ¹
<i>Total</i>									
Total social welfare.....	\$49,821.4	\$52,293.3	\$58,236.0	\$62,658.8	\$66,766.2	\$71,491.1	\$77,261.5	\$87,973.3	\$100,238.5
Social insurance.....	18,286.5	19,306.7	22,364.9	24,193.8	25,613.5	26,971.3	28,090.0	31,905.0	37,377.1
Public aid.....	3,997.9	4,101.1	4,444.3	4,945.3	5,295.9	5,642.1	6,283.4	7,301.4	8,901.6
Health and medical programs.....	4,400.6	4,463.8	4,927.0	5,229.8	5,593.5	6,003.5	6,418.5	7,161.0	8,113.3
Veterans' programs.....	5,472.3	5,479.2	5,623.7	5,654.1	5,751.2	5,861.5	6,038.8	6,360.3	7,011.7
Education.....	16,498.3	17,626.2	19,337.2	21,004.6	22,670.7	24,989.0	28,050.2	32,566.9	35,632.7
Housing.....	156.2	176.8	196.1	216.6	248.1	277.7	318.1	334.8	374.6
Other social welfare.....	1,009.6	1,139.4	1,342.8	1,414.5	1,593.4	1,746.0	2,062.4	2,343.8	2,827.5
<i>Federal</i>									
Total social welfare.....	23,550.3	24,956.7	27,402.6	30,624.4	32,674.9	34,928.0	37,881.0	45,623.1	54,141.7
Social insurance.....	13,054.0	14,307.2	15,965.7	18,289.5	19,417.1	20,646.1	21,806.6	25,663.5	30,686.6
Public aid.....	2,082.1	2,116.9	2,337.3	2,741.3	2,999.3	3,208.2	3,593.9	4,366.3	5,399.1
Health and medical programs.....	1,716.5	1,737.1	1,949.4	2,241.9	2,441.0	2,749.1	2,963.7	3,391.9	4,163.8
Veterans' programs.....	5,411.2	5,367.3	5,539.4	5,558.9	5,731.2	5,842.6	6,018.4	6,339.0	6,989.5
Education.....	766.7	867.9	1,000.5	1,089.6	1,322.6	1,619.5	2,446.3	4,571.9	5,232.9
Housing.....	127.8	143.5	159.2	173.4	192.6	212.1	238.2	250.8	284.6
Other social welfare.....	392.0	416.7	451.1	529.9	571.1	650.4	813.7	1,039.7	1,385.3
<i>State and local</i>									
Total social welfare.....	26,271.1	27,336.6	30,833.4	32,034.3	34,091.3	36,563.1	39,380.6	42,350.1	46,096.8
Social insurance.....	5,232.6	4,999.4	6,399.2	5,904.3	6,196.3	6,325.3	6,283.4	6,241.5	6,690.5
Public aid.....	1,915.8	1,984.2	2,107.1	2,204.1	2,296.6	2,433.9	2,689.5	2,935.1	3,502.5
Health and medical programs.....	2,684.1	2,726.8	2,977.6	2,987.9	3,152.5	3,254.3	3,454.8	3,769.1	3,949.5
Veterans' programs.....	61.1	111.9	84.3	95.2	20.0	18.9	20.4	21.3	22.2
Education.....	15,731.5	16,758.3	18,336.7	19,915.0	21,348.1	23,369.5	25,603.9	27,995.0	30,399.9
Housing.....	28.4	33.2	36.9	43.2	55.5	65.6	80.0	84.1	90.0
Other social welfare.....	617.6	722.8	891.7	884.6	1,022.3	1,095.6	1,248.6	1,304.1	1,442.2

¹Preliminary estimates.

TABLE II.—Federal funds for social welfare expenditures under public programs as percent of total expenditures, fiscal years, 1929–67

Fiscal year	Total	Social insurance	Public aid	Health and medical programs	Veterans' programs	Education	Housing	Other social welfare	All health and medical care ¹
1928–29.....	20.4	16.3	.....	13.3	100.0	1.5	.....	1.8	20.6
1929–30.....	20.0	16.7	.....	12.5	100.0	1.6	.....	1.9	21.0
1930–31.....	21.7	18.7	.....	12.5	100.0	1.9	.....	2.2	21.8
1931–32.....	23.3	21.0	.....	12.7	100.0	2.0	.....	2.1	23.0
1932–33.....	30.0	23.6	50.0	12.4	100.0	1.9	.....	1.9	22.4
1933–34.....	47.5	26.1	79.2	12.0	100.0	4.9	100.0	1.7	18.3
1934–35.....	49.0	29.3	79.2	11.6	100.0	2.6	100.0	1.7	19.0
1935–36.....	63.9	29.2	75.0	12.0	100.0	6.2	100.0	3.2	19.2
1936–37.....	48.2	35.5	72.6	13.9	98.6	6.0	100.0	3.9	21.4
1937–38.....	41.1	34.8	64.2	13.5	98.1	7.3	100.0	4.6	20.5
1938–39.....	43.3	30.3	67.9	13.7	98.4	2.9	100.0	6.1	21.1
1939–40.....	39.1	31.0	62.4	15.7	98.5	2.9	100.0	9.4	22.7
1940–41.....	40.9	35.3	62.1	32.0	98.6	5.2	100.0	16.1	34.3
1941–42.....	41.9	38.7	61.1	49.6	98.7	8.1	100.0	23.3	48.5
1942–43.....	44.5	44.9	52.8	73.3	99.0	9.0	100.0	22.8	70.5
1943–44.....	45.7	50.2	41.4	77.5	99.1	6.9	100.0	30.6	74.8
1944–45.....	47.1	52.1	40.8	76.5	99.3	6.1	100.0	33.4	74.0
1945–46.....	49.6	52.4	39.0	66.9	97.7	3.8	100.0	32.0	66.7
1946–47.....	56.5	62.6	42.8	40.6	96.9	3.2	100.0	32.5	54.2
1947–48.....	50.8	56.6	42.5	29.7	90.4	2.9	100.0	34.6	46.0
1948–49.....	48.4	50.2	45.1	29.8	92.4	2.4	100.0	35.3	46.9
1949–50.....	44.8	42.5	44.2	29.2	93.0	2.3	100.0	38.9	44.4
1950–51.....	46.3	57.1	46.2	42.0	94.4	2.4	61.7	37.4	49.3
1951–52.....	45.9	58.9	46.9	47.6	97.3	3.7	67.7	32.1	53.0
1952–53.....	45.3	63.9	49.9	43.3	97.6	4.7	74.9	38.0	49.1
1953–54.....	44.0	61.6	50.9	39.0	97.8	4.2	79.8	43.6	45.7
1954–55.....	44.8	64.9	50.1	37.1	98.7	4.3	83.7	40.7	44.1
1955–56.....	46.1	70.8	49.9	38.0	98.2	3.9	82.4	44.4	43.9
1956–57.....	46.1	71.6	51.1	37.4	99.2	3.9	84.2	46.3	42.9
1957–58.....	45.4	68.0	50.8	38.3	97.8	4.0	82.4	37.9	44.2
1958–59.....	47.3	71.4	52.1	39.0	98.9	4.6	81.8	38.8	45.3
1959–60.....	47.7	74.1	51.6	38.9	98.0	4.9	81.2	36.6	45.6
1960–61.....	47.1	71.4	52.6	39.6	98.5	5.2	81.2	33.6	46.1
1961–62.....	48.9	75.6	55.4	42.9	98.3	5.2	80.1	37.5	48.6
1962–63.....	48.9	75.8	56.6	43.6	99.7	5.8	77.6	35.8	49.4
1963–64.....	48.9	76.5	56.9	45.8	99.7	6.5	76.4	37.3	49.7
1964–65.....	49.0	77.6	57.2	46.2	99.7	8.7	74.9	39.5	49.6
1965–66.....	51.9	80.4	59.8	47.4	99.7	14.0	74.9	44.4	51.0
1966–67 ²	54.0	82.1	60.7	51.3	99.7	14.7	76.0	49.0	63.6

¹ Combines "Health and medical programs" with medical services provided in connection with social insurance, public aid, veterans', vocational rehabilitation, and antipoverty programs.

² Preliminary estimates.

TABLE III.—Social welfare expenditures under public programs as percent of gross national product, selected fiscal years, 1890–1967

Fiscal year	Gross national product (in billions)	Social welfare expenditures as percent of gross national product							Total health and medical care expenditures as percent of GNP ²
		Total ¹	Social insurance	Public aid	Health and medical programs	Veterans' programs	Education	Other social welfare	
1889-90.....	\$13.0	2.4	(3)	0.3	0.1	0.9	1.1	(4)	(5)
1912-13.....	39.9	2.5	(3)	4.3	.4	.5	1.3	(4)	(5)
1928-29.....	101.0	3.9	0.3	.1	.3	.7	2.4	0.1	0.5
1929-30.....	96.7	4.2	.4	.1	.4	.7	2.6	.1	.5
1930-31.....	83.1	5.1	.4	.2	.5	.9	2.9	.1	.7
1931-32.....	66.9	6.4	.5	.4	.6	1.2	3.5	.1	.9
1932-33.....	56.8	7.9	.6	1.2	.7	1.4	3.7	.2	1.0
1933-34.....	60.3	9.7	.6	4.2	.7	.9	3.2	.2	.8
1934-35.....	68.7	9.5	.6	4.4	.6	.9	2.9	.1	.8
1935-36.....	77.4	13.2	.6	4.0	.6	4.9	2.9	.1	.8
1936-37.....	86.5	9.1	.6	4.0	.6	1.0	2.7	.1	.7
1937-38.....	87.6	9.0	1.0	3.7	.6	.7	2.9	.1	.8
1938-39.....	87.6	10.5	1.3	4.8	.7	.7	2.9	.1	.8
1939-40.....	95.1	9.2	1.3	3.8	.6	.7	2.7	.1	.8
1940-41.....	112.1	8.0	1.2	3.1	.6	.5	2.3	.1	.8
1941-42.....	141.2	6.1	1.0	2.0	.7	.5	1.9	.1	.8
1942-43.....	174.8	4.7	.7	.9	1.1	.4	1.6	.1	1.2
1943-44.....	200.8	4.1	.6	.5	1.1	.4	1.4	.1	1.2
1944-45.....	211.1	4.4	.7	.5	1.1	.5	1.5	.1	1.2
1945-46.....	210.3	6.1	1.7	.5	.9	1.1	1.6	.1	1.1
1946-47.....	221.2	7.8	1.9	.7	.6	2.6	1.8	.1	.9
1947-48.....	244.4	7.6	1.5	.7	.6	2.7	2.0	.2	.9
1948-49.....	260.0	8.1	1.6	.8	.7	2.7	2.2	.2	1.0
1949-50.....	263.4	8.9	1.9	.9	.8	2.6	2.5	.2	1.2
1950-51.....	310.4	7.7	1.5	.8	.9	1.9	2.4	.1	1.2
1951-52.....	337.1	7.6	1.7	.8	1.0	1.6	2.4	.1	1.3
1952-53.....	358.8	7.5	1.8	.8	.9	1.3	2.6	.1	1.2
1953-54.....	361.9	8.2	2.3	.8	.9	1.3	2.8	.2	1.2
1954-55.....	379.7	8.6	2.6	.8	.8	1.3	2.9	.2	1.2
1955-56.....	409.5	8.6	2.6	.8	.8	1.2	3.0	.2	1.1
1956-57.....	431.7	9.1	2.9	.8	.9	1.2	3.2	.2	1.2
1957-58.....	440.2	10.3	3.6	.8	.9	1.2	3.5	.2	1.3
1958-59.....	469.2	10.6	3.9	.9	.9	1.2	3.5	.2	1.3
1959-60.....	495.6	10.6	3.9	.8	.9	1.1	3.6	.2	1.3
1960-61.....	506.5	11.5	4.4	.9	1.0	1.1	3.8	.3	1.4
1961-62.....	541.7	11.6	4.5	.9	1.0	1.0	3.9	.3	1.4
1962-63.....	574.5	11.6	4.5	.9	1.0	1.0	3.9	.3	1.4
1963-64.....	611.6	11.7	4.4	.9	1.0	1.0	4.1	.3	1.5
1964-65.....	655.5	11.8	4.3	1.0	1.0	.9	4.3	.3	1.5
1965-66.....	715.2	12.3	4.5	1.0	1.0	.9	4.6	.3	1.5
1966-67 ⁶	763.1	13.1	4.9	1.2	1.1	.9	4.7	.4	2.1

¹ Includes housing, not shown separately.² Combines "Health and medical programs" with medical services provided in connection with social insurance, public aid, veterans', vocational rehabilitation, and antipoverty programs.³ Less than 0.05 percent.⁴ "Other social welfare" included with "Public aid."⁵ Not available.⁶ Preliminary estimates.

TABLE IV.—Per capita social welfare expenditures under public programs, in actual and constant 1967 prices, fiscal years, 1929-67

Fiscal year	Per capita social welfare expenditures in actual prices ¹								Constant 1966-67 prices		
	Total	Social insurance	Public aid	Health and medical programs	Veterans' program	Education	Housing	Other social welfare	Total social welfare expenditures ¹		Implicit price deflators (1966-67 = 100)
									Amount (in millions)	Per capita	
1928-29.....	\$31.80	\$2.78	\$0.49	\$2.85	\$5.31	\$19.75	.....	\$0.62	\$7,995.3	\$64.89	49.0
1929-30.....	32.90	2.91	.63	3.05	5.34	20.35	.....	.63	8,462.4	68.26	48.2
1930-31.....	33.49	2.94	1.31	3.24	5.89	19.48	.....	.63	9,321.1	74.42	45.0
1931-32.....	34.06	2.82	2.03	3.44	6.49	18.64	.....	.64	10,742.2	85.15	40.0
1932-33.....	35.13	2.71	5.43	3.29	6.40	16.59	.....	.70	12,140.3	95.72	36.7
1933-34.....	45.58	2.83	19.80	3.13	4.09	14.98	.....	.75	15,658.9	122.53	37.2
1934-35.....	50.62	3.15	23.21	3.31	4.54	15.55	\$0.10	.77	16,761.5	129.80	39.0
1935-36.....	78.54	3.52	23.77	3.50	29.47	17.19	.32	.78	25,763.3	198.84	39.5
1936-37.....	60.27	4.19	26.38	3.84	6.80	18.24	.02	.81	19,432.7	149.18	40.4
1937-38.....	60.34	6.47	24.64	4.11	4.72	19.54	.03	.82	19,401.5	147.89	40.8
1938-39.....	69.61	8.93	31.98	4.35	4.53	18.93	.03	.86	22,901.5	173.16	40.2
1939-40.....	65.56	9.49	26.84	4.59	4.61	19.11	.03	.87	21,851.7	163.08	40.2
1940-41.....	66.38	9.87	26.14	5.37	4.51	19.42	.07	1.01	21,406.7	158.80	41.8
1941-42.....	63.15	10.09	20.38	6.96	4.70	19.77	.10	1.13	18,745.1	137.58	45.9
1942-43.....	59.97	9.12	11.23	13.66	4.48	20.24	.10	1.15	16,262.5	117.82	50.9
1943-44.....	59.13	9.03	7.42	16.00	5.14	20.14	.10	1.31	15,058.4	108.30	54.6
1944-45.....	64.75	9.93	7.26	16.59	7.83	21.67	.08	1.39	16,124.0	113.59	57.0
1945-46.....	89.50	25.55	8.05	13.32	16.77	23.07	1.11	1.63	21,212.6	148.42	60.3
1946-47.....	119.39	28.67	9.94	9.42	39.06	28.18	1.94	2.18	26,322.9	181.44	65.8
1947-48.....	126.07	24.37	11.52	9.58	44.77	33.15	.18	2.50	26,123.1	176.82	71.3
1948-49.....	140.14	27.78	13.87	11.64	45.60	38.56	.05	2.63	28,828.8	191.45	73.2
1949-50.....	152.59	32.20	16.26	13.44	44.20	43.47	.10	2.92	32,445.0	211.34	72.2
1950-51.....	153.72	30.54	16.61	17.83	38.03	47.52	.22	2.96	31,437.2	201.47	76.3
1951-52.....	160.32	35.67	16.28	20.99	32.52	51.79	.23	2.84	32,051.6	201.91	79.4
1952-53.....	166.74	40.86	16.90	19.77	28.73	57.05	.31	3.12	33,263.0	206.11	80.9
1953-54.....	179.30	50.25	16.99	18.89	27.73	61.31	.41	3.73	35,970.0	219.19	81.8
1954-55.....	194.50	58.72	17.98	18.58	28.29	66.68	.53	3.71	39,616.5	237.19	82.0
1955-56.....	205.92	62.44	18.33	19.46	29.32	71.39	.66	4.33	42,270.8	248.70	82.8
1956-57.....	226.62	71.85	19.12	21.82	29.12	79.26	.69	4.76	45,915.9	265.36	85.4
1957-58.....	257.52	90.38	20.54	23.24	30.49	86.88	.76	5.23	51,625.2	293.30	87.8
1958-59.....	277.58	101.86	22.34	24.59	30.23	92.04	.87	5.64	55,751.7	311.54	89.1
1959-60.....	286.46	105.74	22.54	24.54	29.64	96.76	.97	6.26	57,522.0	316.18	90.6
1960-61.....	313.93	120.52	24.03	26.64	29.96	104.45	1.06	7.26	63,235.9	341.97	91.8
1961-62.....	332.36	128.22	26.31	27.82	29.70	111.63	1.15	7.52	67,541.7	359.31	92.5
1962-63.....	348.80	133.65	27.75	29.31	29.77	118.68	1.30	8.35	71,202.3	373.04	93.5
1963-64.....	368.11	138.68	29.14	31.00	29.90	128.94	1.43	9.02	75,272.4	388.71	94.7
1964-65.....	392.33	142.42	32.00	32.69	30.40	142.69	1.62	10.50	80,484.8	409.95	95.7
1965-66.....	441.20	159.74	36.73	36.03	31.64	163.59	1.68	11.79	90,132.5	453.44	97.3
1966-67 ³	497.14	185.07	44.28	40.36	34.47	177.03	1.86	14.07	99,934.2	497.14	100.0
Percentage change for 1966-67 expenditures ² (1966-67 prices) from—	+666	+3,184	+4,373	+593	+218	+339	.....	+1,017	+1,149	+666	.....
1928-29.....	+135	+315	+97	+117	-44	+194	+1,331	+248	+208	+135	.....
1949-50.....	+21	+24	+32	+18	+8	+19	+10	+28	+24	+21	.....

¹ Excludes expenditures within foreign countries for education, veterans' payments, and OASDHI benefits; see table I for data including such expenditures.² Less than \$0.005.³ Preliminary estimates.

Sources: Per capita figures based on January 1 data from the Bureau of the Census for total U. S. population, including Armed Forces overseas and the civilian population of territories and possessions. Deflators based on implicit price deflators for personal consumption expenditures prepared by National Income Division, Office of Business Economics, Department of Commerce.

TABLE V.—Social welfare expenditures¹ in relation to government expenditures for all purposes, selected fiscal years, 1929-67

[In percents]

Item	1928-29	1934-35	1939-40	1944-45	1949-50	1954-55	1959-60	1964-65	1965-66	1966-67 ²
All social welfare expenditures from public funds:										
Total, as percent of total government expenditures.....	37.4	49.6	47.5	8.6	37.3	32.2	37.6	41.5	42.6	42.5
Federal, as percent of total Federal Government expenditures.....	27.5	50.9	37.8	4.6	25.5	21.3	27.1	31.6	33.6	34.0
State and local, as percent of total State and local government expenditures ³	41.2	48.3	57.4	56.6	61.0	57.4	59.2	60.6	60.9	61.2
Social welfare expenditures from general revenue:										
Total, as percent of total government expenditures from general revenue.....	37.6	49.0	44.7	8.0	33.0	26.0	29.2	33.0	33.9	33.4
Federal, as percent of total Federal Government expenditures from general revenue:										
All programs.....	27.7	50.6	36.0	4.1	22.7	13.9	15.3	18.5	20.1	20.2
Veterans' programs.....	22.7	9.5	6.9	1.2	15.9	7.6	6.7	5.9	5.6	5.3
State and local, as percent of total State and local government expenditures from general revenue: ³										
All programs.....	41.0	47.4	53.9	56.0	55.1	53.3	56.1	57.9	58.5	58.5
Education.....	31.7	29.6	29.3	37.4	34.8	38.2	40.9	43.4	43.9	43.7

¹ Expenditures from general revenues and from social insurance trust funds; that part of workmen's compensation and temporary disability insurance payments made through private carriers and self-insurance was omitted in computing percentages.

² Preliminary estimates.

³ Excludes Federal grants-in-aid.

TABLE 1-1.—Social insurance: Summary of program and administrative expenditures, fiscal years, 1929–66

[In millions]

Program	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
<i>Total</i>										
Total social insurance.....	\$342.4	\$360.9	\$368.3	\$355.3	\$343.9	\$361.8	\$406.3	\$455.6	\$545.2	\$848.6
Old-age, survivors, disability, and health insurance.....								.5	19.5	26.1
Railroad retirement.....								.6	5.8	85.5
Public employee retirement.....	113.1	122.1	135.6	146.4	163.6	186.2	208.8	233.0	244.2	256.8
Unemployment insurance and employment service.....						2.9	9.2	17.6	45.1	236.2
Workmen's compensation.....	229.3	238.8	232.7	209.0	180.3	172.7	188.4	204.0	230.6	244.0
Hospital and medical benefits ¹	75.0	75.0	75.0	68.0	58.0	55.0	65.0	73.0	75.0	80.0
<i>Federal</i>										
Total social insurance.....	55.9	60.3	68.9	74.6	81.2	94.6	118.9	132.9	193.3	295.2
Old-age, survivors, disability, and health insurance.....								.5	19.5	26.1
Railroad retirement.....								.6	5.8	85.5
Public employee retirement.....	51.9	55.8	64.2	69.9	76.8	88.2	102.6	109.6	115.6	122.0
Unemployment insurance and employment service.....						1.8	7.4	15.2	41.5	51.7
Workmen's compensation.....	4.0	4.5	4.7	4.7	4.3	4.6	8.9	7.0	10.8	10.0
Hospital and medical benefits ¹.....	.6	.6	.7	.7	.6	1.0	3.0	1.8	4.4	3.0
<i>State and local</i>										
Total social insurance.....	286.5	300.6	299.4	280.8	262.8	267.2	287.4	322.7	351.8	553.4
Public employee retirement.....	61.2	66.3	71.4	76.5	86.8	98.0	106.2	123.4	128.6	134.8
Unemployment insurance and employment service.....						1.1	1.7	2.4	3.5	184.6
Workmen's compensation.....	225.3	234.3	228.0	204.3	176.0	168.1	179.5	197.0	219.7	234.0
Hospital and medical benefits ¹	74.4	74.4	74.3	67.3	57.4	54.0	62.0	71.2	70.6	77.0
1938-39 1939-40 1940-41 1941-42 1942-43 1943-44 1944-45 1945-46 1946-47 1947-48										
<i>Total</i>										
Total social insurance.....	\$1,181.2	\$1,271.8	\$1,330.0	\$1,375.6	\$1,258.7	\$1,255.7	\$1,409.4	\$3,652.1	\$4,160.0	\$3,602.8
Old-age, survivors, disability, and health insurance.....	36.5	40.4	91.2	137.0	176.8	217.2	266.8	357.9	466.4	559.1
Railroad retirement.....	110.0	116.8	124.7	129.5	133.7	137.6	145.0	156.5	177.8	229.8
Public employee retirement.....	269.5	283.4	297.9	322.0	305.4	331.7	355.0	412.6	510.1	579.5
Unemployment insurance and employment service.....	516.7	553.0	507.0	451.8	281.2	173.5	216.7	2,255.9	2,453.7	1,600.8
Railroad unemployment insurance.....	1.7	18.9	21.1	11.4	3.9	3.7	4.3	24.2	51.2	35.9
Railroad temporary disability insurance.....										28.6
State temporary disability insurance.....										33.3
Workmen's compensation.....	246.7	259.2	288.1	323.8	356.8	387.3	416.6	440.0	485.2	535.7
Hospital and medical benefits ¹	80.0	90.0	98.0	104.0	110.0	116.0	122.0	132.0	150.0	168.0
<i>Federal</i>										
Total social insurance.....	357.8	393.8	470.0	531.7	565.1	630.8	734.9	1,912.6	2,605.0	2,039.8
Old-age, survivors, disability, and health insurance.....	36.5	40.4	91.2	137.0	176.8	217.2	266.8	357.9	466.4	559.1
Railroad retirement.....	110.0	116.8	124.7	129.5	133.7	137.6	145.0	156.5	177.8	229.8
Public employee retirement.....	127.6	136.3	147.9	161.6	133.1	146.7	158.7	196.6	273.4	323.0
Unemployment insurance and employment service.....	68.9	67.1	71.3	80.5	105.1	112.5	145.5	1,164.9	1,620.0	848.3
Railroad unemployment insurance.....	1.7	18.9	21.1	11.4	3.9	3.7	4.3	24.2	51.2	35.9
Railroad temporary disability insurance.....										28.6
Workmen's compensation.....	13.1	14.2	13.8	11.7	12.5	13.1	14.7	12.4	16.2	15.0
Hospital and medical benefits ¹	4.7	5.2	4.6	3.1	3.0	3.4	4.7	2.2	2.2	2.8
<i>State and local</i>										
Total social insurance.....	823.3	878.0	860.0	843.9	693.6	624.8	674.5	1,739.5	1,555.0	1,563.1
Public employee retirement.....	141.9	147.1	150.0	160.4	172.3	185.0	196.3	216.0	236.7	256.5
Unemployment insurance and employment service.....	447.8	485.9	435.7	371.3	176.1	61.0	71.2	1,091.1	833.7	752.5
State temporary disability insurance.....	233.6	245.0	274.2	312.2	344.3	374.2	401.9	427.6	469.0	520.7
Workmen's compensation.....	75.3	84.8	93.4	100.9	107.0	112.6	117.3	129.8	147.8	165.2

¹ Excludes administrative expenses.

TABLE 1-1.—Social insurance: Summary of program and administrative expenditures, fiscal years, 1929-66—Continued
[In millions]

Program	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
Total									
Total social insurance.....	\$4,185.8	\$4,946.6	\$4,772.2	\$5,671.0	\$6,607.3	\$8,264.7	\$9,834.9	\$10,646.1	\$12,471.8
Old-age, survivors, disability, and health insurance.....	660.5	784.1	1,568.5	2,067.0	2,716.9	3,364.2	4,436.3	5,485.2	6,665.9
Railroad retirement.....	287.9	306.4	321.8	400.4	466.5	518.0	556.0	607.5	685.5
Public employee retirement.....	649.1	817.9	920.0	998.7	1,123.5	1,250.6	1,388.5	1,577.3	1,785.3
Unemployment insurance and employment service.....	1,876.2	2,190.1	1,062.8	1,189.4	1,143.2	1,871.8	2,080.6	1,623.5	1,841.6
Railroad unemployment insurance.....	50.5	119.6	28.3	26.3	57.8	100.4	158.7	59.7	88.1
Railroad temporary disability insurance.....	32.0	31.1	28.9	27.7	45.4	46.6	54.2	52.3	52.0
State temporary disability insurance.....	50.0	72.1	142.7	174.7	198.0	210.5	217.5	232.7	269.8
Hospital and medical benefits ¹		2.2	9.8	12.2	14.9	17.6	20.0	22.4	26.3
Workmen's compensation.....	579.6	625.1	699.2	786.8	856.1	902.5	943.0	1,007.9	1,083.6
Hospital and medical benefits ¹	180.0	193.0	216.0	245.0	270.0	295.0	315.0	335.0	355.0
Federal									
Total social insurance.....	2,103.1	2,103.0	2,723.5	3,342.1	4,224.0	5,093.6	6,385.0	7,534.1	8,926.4
Old-age, survivors, disability, and health insurance.....	660.5	784.1	1,568.5	2,067.0	2,716.9	3,364.2	4,436.3	5,485.2	6,665.9
Railroad retirement.....	287.9	306.4	321.8	400.4	466.5	518.0	556.0	607.5	685.5
Public employee retirement.....	373.1	507.9	553.0	584.7	663.5	735.6	808.5	935.3	1,039.3
Unemployment insurance and employment service.....	683.5	328.6	190.1	197.6	230.3	282.9	320.8	341.1	337.1
Railroad unemployment insurance.....	50.5	119.6	28.3	26.3	57.8	100.4	158.7	59.7	88.1
Railroad temporary disability insurance.....	32.0	31.1	28.9	27.7	45.4	46.6	54.2	52.3	52.0
Workmen's compensation.....	15.6	25.1	32.8	38.4	43.6	45.8	50.5	53.1	58.5
Hospital and medical benefits ¹	3.1	5.2	4.6	6.0	6.0	6.3	6.9	6.8	7.3
State and local									
Total social insurance.....	2,082.7	2,843.6	2,048.8	2,328.9	2,383.3	3,171.1	3,449.9	3,112.0	3,545.3
Public employee retirement.....	276.0	310.0	367.0	414.0	460.0	515.0	580.0	642.0	746.0
Unemployment insurance and employment service.....	1,192.7	1,861.5	872.7	991.8	912.9	1,588.8	1,759.9	1,282.5	1,504.5
State temporary disability insurance.....	50.0	72.1	142.7	174.7	198.0	210.5	217.5	232.7	269.8
Hospital and medical benefits ¹		2.2	9.8	12.2	14.9	17.6	20.0	22.4	26.3
Workmen's compensation.....	564.0	600.0	666.4	748.4	812.4	856.7	892.5	954.9	1,025.0
Hospital and medical benefits ¹	176.9	187.8	211.4	239.0	264.0	288.7	308.1	328.2	347.7
Total									
Total social insurance.....	\$15,956.7	\$18,286.5	\$19,306.7	\$22,364.9	\$24,193.8	\$25,613.5	\$26,971.3	\$28,090.0	\$31,905.0
Old-age, survivors, disability, and health insurance.....	8,221.1	9,615.9	11,032.3	12,160.8	13,984.8	15,344.6	16,201.1	16,997.5	20,295.3
Railroad retirement.....	729.9	790.2	934.7	996.1	1,036.9	1,077.3	1,107.3	1,128.1	1,211.6
Public employee retirement.....	2,026.3	2,342.5	2,569.9	2,870.2	3,189.7	3,569.3	4,056.7	4,520.5	5,145.4
Unemployment insurance and employment service.....	3,302.5	3,731.1	2,829.6	4,280.0	3,853.8	3,390.6	3,273.8	3,002.6	2,662.3
Railroad unemployment insurance.....	176.0	200.2	215.2	213.4	163.2	122.8	92.6	76.7	52.4
Railroad temporary disability insurance.....	54.7	57.0	68.5	58.0	56.8	52.8	50.1	46.5	42.6
State temporary disability insurance.....	304.1	327.0	347.9	385.2	407.1	444.2	467.7	483.3	507.3
Hospital and medical benefits ¹	31.9	38.4	40.2	43.8	45.5	48.4	50.4	50.9	54.3
Workmen's compensation.....	1,142.2	1,222.7	1,308.5	1,401.4	1,501.4	1,611.8	1,722.0	1,834.8	1,988.2
Hospital and medical benefits ¹	370.0	390.0	420.0	450.0	475.0	510.0	545.0	580.0	630.0
Federal									
Total social insurance.....	10,856.5	13,054.0	14,307.2	15,965.7	18,289.5	19,417.1	20,646.1	21,806.6	25,663.5
Old-age, survivors, disability, and health insurance.....	8,221.1	9,615.9	11,032.3	12,160.8	13,984.8	15,344.6	16,201.1	16,997.5	20,295.3
Railroad retirement.....	729.9	790.2	934.7	996.1	1,036.9	1,077.3	1,107.3	1,128.1	1,211.6
Public employee retirement.....	1,185.3	1,377.5	1,519.9	1,701.2	1,903.7	2,145.3	2,486.7	2,780.5	3,220.4
Unemployment insurance and employment service.....	427.0	940.8	473.5	770.7	1,076.2	602.1	631.9	699.8	761.8
Railroad employment insurance.....	176.0	200.2	215.2	213.4	163.2	122.8	92.6	76.7	52.4
Railroad temporary disability insurance.....	54.7	57.0	68.5	58.0	56.8	52.8	50.1	46.5	42.6
Workmen's compensation.....	62.6	72.3	63.1	65.6	67.9	72.2	76.3	77.6	79.5
Hospital and medical benefits ¹	7.9	8.2	9.0	8.7	8.4	10.2	10.4	11.3	11.8
State and local									
Total social insurance.....	5,100.2	5,232.6	4,999.4	6,399.2	5,904.3	6,196.3	6,325.3	6,283.4	6,241.5
Public employee retirement.....	841.0	965.0	1,050.0	1,169.0	1,286.0	1,424.0	1,570.0	1,740.0	1,925.0
Unemployment insurance and employment service.....	2,875.5	2,790.2	2,356.1	3,509.2	2,777.6	2,788.5	2,641.9	2,302.8	1,900.5
State temporary disability insurance.....	304.1	327.0	347.9	385.2	407.1	444.2	467.7	483.3	507.3
Hospital and medical benefits ¹	31.9	38.4	40.2	43.8	45.5	48.4	50.4	50.9	54.3
Workmen's compensation.....	1,079.6	1,150.4	1,245.4	1,335.8	1,433.6	1,539.6	1,645.7	1,757.3	1,908.7
Hospital and medical benefits ¹	362.1	381.8	411.0	441.3	466.6	499.8	534.6	568.7	618.2

¹ Excludes administrative expenses.² Includes \$63.6 million for administrative expenditures of the health insurance for the aged program.

TABLE 1-2.—Social insurance: Summary of program expenditures (excluding administration), fiscal years, 1929-66
[In millions]

Program	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
<i>Total</i>										
Total social insurance.....	\$330.8	\$348.8	\$356.1	\$343.7	\$332.7	\$347.0	\$384.3	\$423.3	\$465.8	\$754.3
Old-age, survivors, disability, and health insurance.....									(1)	5.4
Railroad retirement.....	111.8	120.8	134.1	144.8	161.7	184.0	206.3	230.3	241.3	82.7
Public employee retirement.....									4.5	253.7
Unemployment insurance and employment service.....									1.0	180.5
Workmen's compensation.....	219.0	228.0	222.0	199.0	171.0	163.0	178.0	193.0	219.0	232.0
Hospital and medical benefits.....	75.0	75.0	75.0	68.0	58.0	55.0	65.0	73.0	75.0	80.0
<i>Federal</i>										
Total social insurance.....	55.4	59.8	68.3	74.0	80.6	92.2	110.6	115.7	129.8	218.8
Old-age, survivors, disability, and health insurance.....									(1)	5.4
Railroad retirement.....									4.5	82.7
Public employee retirement.....	51.8	55.8	64.1	69.8	76.7	88.0	102.3	109.3	115.3	121.7
Workmen's compensation.....	3.6	4.0	4.2	4.2	4.0	4.2	8.2	6.4	9.9	9.0
Hospital and medical benefits.....	.6	.6	.7	.7	.6	1.0	3.0	1.8	4.4	3.0
<i>State and local</i>										
Total social insurance.....	275.4	289.0	287.8	260.8	252.1	254.8	273.7	307.6	336.0	535.5
Public employee retirement.....	60.0	65.0	70.0	75.0	85.0	96.0	104.0	121.0	126.0	132.0
Unemployment insurance and employment service.....									1.0	180.5
Workmen's compensation.....	215.4	224.0	217.8	194.8	167.1	158.8	169.7	186.6	209.1	222.9
Hospital and medical benefits.....	74.4	74.4	74.3	67.3	57.4	54.0	62.0	71.2	70.6	77.0
	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48
<i>Total</i>										
Total social insurance.....	\$1,065.6	\$1,153.1	\$1,204.6	\$1,242.5	\$1,101.1	\$1,083.4	\$1,231.0	\$3,417.0	\$3,905.4	\$3,340.7
Old-age, survivors, disability, and health insurance.....	13.9	15.8	64.3	110.3	149.3	184.6	239.8	320.5	425.6	511.7
Railroad retirement.....	107.1	114.0	121.8	126.7	130.9	135.2	142.5	153.8	173.1	224.9
Public employee retirement.....	266.3	280.0	294.3	317.9	301.2	327.6	350.2	405.5	502.0	571.0
Unemployment insurance and employment service.....	444.2	482.5	432.4	369.7	176.1	61.0	94.7	2,092.0	2,281.6	1,433.1
Railroad unemployment insurance.....		14.8	17.7	8.9	1.8	.5	.7	20.5	46.6	32.4
Railroad temporary disability insurance.....										26.6
State temporary disability insurance.....										31.0
Workmen's compensation.....	234.0	246.0	274.0	309.0	341.0	370.0	398.0	420.0	462.0	510.0
Hospital and medical benefits.....	80.0	90.0	98.0	104.0	110.0	116.0	122.0	132.0	150.0	168.0
<i>Federal</i>										
Total social insurance.....	260.2	293.6	363.8	417.3	425.2	477.5	577.0	1,701.1	2,378.8	1,810.8
Old-age, survivors, disability, and health insurance.....	13.9	15.8	64.3	110.3	149.3	184.6	239.8	320.5	425.6	511.7
Railroad retirement.....	107.1	114.0	121.8	126.7	130.9	135.2	142.5	153.8	173.1	224.9
Public employee retirement.....	127.3	136.0	147.3	160.9	132.2	145.6	157.2	194.5	271.0	321.0
Unemployment insurance and employment service.....		14.8	17.7	8.9	1.8	.5	23.5	1,000.9	1,447.9	680.5
Railroad unemployment insurance.....									46.6	32.4
Railroad temporary disability insurance.....										26.6
Workmen's compensation.....	11.9	13.0	12.7	10.6	11.1	11.6	13.2	10.9	14.6	13.6
Hospital and medical benefits.....	4.7	5.2	4.6	3.1	3.0	3.4	4.7	2.2	2.2	2.8
<i>State and local</i>										
Total social insurance.....	805.4	859.4	840.8	825.2	675.9	605.9	654.0	1,715.9	1,526.6	1,529.9
Public employee retirement.....	139.0	144.0	147.0	157.0	169.0	182.0	193.0	211.0	231.0	250.0
Unemployment insurance and employment service.....	444.2	482.5	432.4	369.7	176.1	61.0	71.2	1,091.1	833.7	752.5
State temporary disability insurance.....									14.5	31.0
Workmen's compensation.....	222.1	232.9	261.3	298.4	329.9	358.4	384.9	409.1	447.4	496.4
Hospital and medical benefits.....	75.3	84.8	93.4	100.9	107.0	112.6	117.3	129.8	147.8	165.2

¹ Less than \$50,000.

TABLE 1-2.—Social insurance: Summary of program expenditures (excluding administration), fiscal years, 1929-66
—Continued

[In millions]

Program	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
<i>Total</i>									
Total social insurance.....	\$3,908.5	\$4,641.8	\$4,458.7	\$5,320.3	\$6,237.9	\$7,890.4	\$9,453.3	\$10,198.2	\$11,976.1
Old-age, survivors, disability, and health insurance.....	607.0	727.3	1,498.1	1,982.4	2,627.5	3,275.6	4,333.1	5,360.8	6,514.6
Railroad retirement.....	283.1	301.5	317.1	394.2	460.4	512.2	549.6	600.7	678.0
Public employee retirement.....	639.2	806.0	906.3	983.0	1,106.7	1,233.9	1,371.9	1,559.4	1,766.2
Unemployment insurance and employment service.....	1,704.1	2,000.6	881.1	991.9	937.0	1,663.1	1,882.6	1,382.8	1,585.6
Railroad unemployment insurance.....	46.7	113.8	24.8	22.7	53.8	95.5	152.7	55.5	83.2
Railroad temporary disability insurance.....	29.8	29.5	27.0	25.9	43.5	44.9	52.4	50.0	50.0
State temporary disability insurance.....	46.5	68.1	137.4	169.3	191.9	204.2	211.0	226.0	262.5
Hospital and medical benefits.....	2.2	9.8	12.2	14.9	17.6	20.0	22.4	26.3	26.3
Workmen's compensation.....	552.0	595.0	667.0	751.0	817.0	861.0	900.0	963.0	1,036.0
Hospital and medical benefits.....	180.0	193.0	216.0	245.0	270.0	295.0	315.0	335.0	355.0
<i>Federal</i>									
Total social insurance.....	1,863.5	1,840.5	2,457.5	3,044.4	3,912.4	4,780.0	6,065.8	7,151.4	8,500.3
Old-age, survivors, disability, and health insurance.....	607.0	727.3	1,498.1	1,982.4	2,627.5	3,275.6	4,333.1	5,360.8	6,514.6
Railroad retirement.....	283.1	301.5	317.1	394.2	460.4	512.2	549.6	600.7	678.0
Public employee retirement.....	371.2	506.0	551.3	583.0	661.7	733.9	806.9	933.4	1,037.2
Unemployment insurance and employment service.....	511.4	139.1	8.4	.1	24.1	74.3	122.8	100.4	81.2
Railroad unemployment insurance.....	46.7	113.8	24.8	22.7	53.8	95.5	152.7	55.5	83.2
Railroad temporary disability insurance.....	29.8	29.5	27.0	25.9	43.5	44.9	52.4	50.0	50.0
Workmen's compensation.....	14.2	23.4	30.9	36.2	41.3	43.7	48.3	50.6	56.1
Hospital and medical benefits.....	3.1	5.2	4.6	6.0	6.0	6.3	6.9	6.8	7.3
<i>State and local</i>									
Total social insurance.....	2,045.0	2,801.3	2,001.2	2,275.9	2,325.5	3,110.4	3,387.5	3,046.8	3,475.9
Public employee retirement.....	268.0	300.0	355.0	400.0	445.0	500.0	565.0	626.0	729.0
Unemployment insurance and employment service.....	1,192.7	1,861.5	872.7	991.8	912.9	1,588.8	1,759.9	1,282.5	1,504.5
State temporary disability insurance.....	46.5	68.1	137.4	169.3	191.9	204.2	211.0	226.0	262.5
Hospital and medical benefits.....	2.2	9.8	12.2	14.9	17.6	20.0	22.4	26.3	26.3
Workmen's compensation.....	537.8	571.6	636.1	714.8	775.7	817.3	851.6	912.3	979.9
Hospital and medical benefits.....	176.9	187.8	211.4	239.0	264.0	288.7	308.1	328.2	347.7
<i>1957-58</i>									
<i>Total</i>									
Total social insurance.....	\$15,372.8	\$17,620.9	\$18,611.2	\$21,595.2	\$23,351.2	\$24,692.4	\$25,986.0	\$27,056.4	\$30,692.4
Old-age, survivors, disability, and health insurance.....	8,043.4	9,388.4	10,798.0	11,888.5	13,669.2	15,015.3	15,830.4	16,618.1	19,794.1
Railroad retirement.....	721.4	781.0	925.7	986.5	1,027.1	1,067.7	1,096.3	1,117.7	1,200.2
Public employee retirement.....	1,997.8	2,309.8	2,531.8	2,837.8	3,164.4	3,516.5	4,007.7	4,466.4	5,085.9
Unemployment insurance and employment service.....	3,002.3	3,409.1	2,493.1	3,908.2	3,449.2	2,955.2	2,819.2	2,519.5	2,131.6
Railroad unemployment insurance.....	169.2	193.1	208.6	206.7	156.8	116.8	86.6	71.3	47.7
Railroad temporary disability insurance.....	52.5	54.8	66.1	55.0	54.1	50.0	47.3	44.0	40.4
State temporary disability insurance.....	296.2	318.6	339.0	375.5	396.5	431.9	454.5	469.5	492.5
Hospital and medical benefits.....	31.9	38.4	40.2	43.8	45.5	48.4	50.4	50.9	54.3
Workmen's compensation.....	1,090.0	1,166.0	1,249.0	1,337.0	1,434.0	1,539.0	1,644.0	1,750.0	1,900.0
Hospital and medical benefits.....	370.0	390.0	420.0	450.0	475.0	510.0	545.0	580.0	630.0
<i>Federal</i>									
Total social insurance.....	10,355.8	12,480.3	13,712.0	15,295.7	17,543.2	18,626.1	19,792.5	20,917.6	24,604.6
Old-age, survivors, disability, and health insurance.....	8,043.4	9,388.4	10,798.0	11,888.5	13,669.2	15,015.3	15,830.4	16,618.1	19,794.1
Railroad retirement.....	721.4	781.0	925.7	986.5	1,027.1	1,067.7	1,096.3	1,117.7	1,200.2
Public employee retirement.....	1,182.8	1,374.8	1,516.8	1,697.8	1,900.4	2,141.5	2,482.7	2,776.4	3,215.9
Unemployment insurance and employment service.....	126.8	618.9	137.0	399.0	671.6	166.7	177.2	216.7	231.1
Railroad unemployment insurance.....	169.2	193.1	208.6	206.7	156.8	116.8	86.6	71.3	47.7
Railroad temporary disability insurance.....	52.5	54.8	66.1	55.0	54.1	50.0	47.3	44.0	40.4
Workmen's compensation.....	59.6	69.3	59.9	62.2	64.0	68.1	72.0	73.5	75.2
Hospital and medical benefits.....	7.9	8.2	9.0	8.7	8.4	10.2	10.4	11.3	11.8
<i>State and local</i>									
Total social insurance.....	5,017.1	5,140.6	4,899.1	6,299.5	5,808.0	6,066.3	6,193.4	6,138.8	6,087.9
Public employee retirement.....	815.0	935.0	1,015.0	1,140.0	1,264.0	1,375.0	1,525.0	1,690.0	1,870.0
Unemployment insurance and employment service.....	2,875.5	2,790.2	2,356.1	3,509.2	2,777.6	2,788.5	2,641.9	2,302.8	1,900.5
State temporary disability insurance.....	296.2	318.6	339.0	375.5	396.5	431.9	454.5	469.5	492.5
Hospital and medical benefits.....	31.9	38.4	40.2	43.8	45.5	48.4	50.4	50.9	54.3
Workmen's compensation.....	1,030.4	1,096.8	1,189.0	1,274.8	1,370.0	1,470.8	1,572.0	1,676.6	1,824.8
Hospital and medical benefits.....	362.1	381.8	411.0	441.3	466.6	499.8	534.6	568.7	618.2

TABLE 1-3.—OASDHI: Program and administrative expenditures, fiscal years, 1936-66

[In thousands]

Fiscal year	Total expenditures	Cash benefit payments		Rehabilitation services for disabled	Administration	Cooperative research and demonstration ¹
		Total	U. S., excluding abroad			
1935-36	\$500	.....	.....	.....	\$500	.....
1936-37	19,527	.....	\$27	(2)	19,500	.....
1937-38	26,104	.....	5,404	(2)	20,700	.....
1938-39	36,492	.....	13,892	\$13,889	22,600	.....
1939-40	40,405	.....	15,805	15,777	24,600	.....
1940-41	91,182	64,342	64,234	.....	26,840	.....
1941-42	137,047	110,281	110,061	.....	26,766	.....
1942-43	176,796	149,304	149,024	.....	27,492	.....
1943-44	217,204	184,597	184,267	.....	32,607	.....
1944-45	266,784	239,834	239,442	.....	26,950	.....
1945-46	357,937	320,510	320,034	.....	37,427	.....
1946-47	466,370	425,582	424,404	.....	40,788	.....
1947-48	559,133	511,676	509,605	.....	47,457	.....
1948-49	660,501	607,036	604,867	.....	53,465	.....
1949-50	784,107	727,266	724,108	.....	56,841	.....
1950-51	1,568,535	1,498,088	1,491,944	.....	70,447	.....
1951-52	2,067,027	1,982,377	1,973,149	.....	84,649	.....
1952-53	2,716,921	2,627,492	2,613,743	.....	89,429	.....
1953-54	3,364,192	3,275,556	3,256,423	.....	88,636	.....
1954-55	4,436,349	4,333,147	4,306,522	.....	103,202	.....
1955-56	5,485,152	5,360,813	5,327,674	.....	124,339	.....
1956-57	6,665,943	6,514,581	6,474,971	.....	151,362	.....
1957-58	8,221,068	8,043,352	7,994,712	.....	177,716	.....
1958-59	9,615,881	9,388,377	9,330,375	.....	227,504	.....
1959-60	11,032,304	10,798,013	10,728,009	.....	234,291	.....
1960-61	12,160,805	11,888,527	11,809,365	.....	272,188	\$90
1961-62	13,984,806	13,669,211	13,578,517	.....	315,417	178
1962-63	15,344,649	15,015,262	14,911,231	.....	329,039	348
1963-64	16,201,134	15,830,373	15,713,538	.....	370,400	361
1964-65	16,997,547	16,618,084	16,488,382	.....	379,145	318
1965-66	20,295,318	19,792,586	19,635,988	\$1,493	² 500,723	516

¹ Portion related to mission of Social Security Administration.² Not available.³ Includes \$63.6 million for administrative expenditures of the health insurance for the aged program.Source: *Daily Statement of U.S. Treasury Monthly (and Final) Statement of U.S. Treasury*, and agency reports.

TABLE 1-4.—Railroad retirement: Program and administrative expenditures, fiscal years, 1936-66

[In thousands]

Fiscal year	Total expenditures	Benefits	Administration	Fiscal year	Total expenditures	Benefits	Administration
1935-36	\$599	.....	.....	1950-51	\$321,841	\$317,101	\$4,740
1936-37	5,810	\$4,515	1,296	1951-52	400,407	394,153	6,254
1937-38	85,473	82,655	2,818	1952-53	466,477	460,397	6,080
1938-39	110,049	107,131	2,918	1953-54	517,999	512,171	5,828
1939-40	116,836	114,025	2,810	1954-55	555,990	549,644	6,346
1940-41	124,705	121,800	2,905	1955-56	607,540	600,677	6,863
1941-42	129,535	126,657	2,878	1956-57	685,453	678,022	7,431
1942-43	133,709	130,864	2,845	1957-58	729,883	721,428	8,454
1943-44	137,591	135,215	2,375	1958-59	790,234	781,033	9,202
1944-45	144,959	142,528	2,431	1959-60	934,721	925,656	9,064
1945-46	156,492	153,815	2,676	1960-61	996,051	986,531	9,520
1946-47	177,840	173,101	4,739	1961-62	1,036,859	1,027,118	9,740
1947-48	229,825	224,871	4,954	1962-63	1,077,320	1,067,711	9,609
1948-49	287,933	283,052	4,881	1963-64	1,107,341	1,096,283	11,059
1949-50	306,446	301,542	4,904	1964-65	1,128,072	1,117,690	10,382
				1965-66	1,211,577	1,200,190	11,387

Source: *Annual Reports of the Railroad Retirement Board*. Administrative expenditure data exclude \$8.8 million disbursed (mainly in 1940-

41 and 2 succeeding years) to employers from prior-service fund for collection of data on service and compensation of railroad workers before 1937.

TABLE 1-5.—Public employee retirement: Program and administrative expenditures, fiscal years, 1929-66

[In thousands]

Retirement system	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Total public employee retirement.....	\$113,069	\$122,137	\$135,575	\$146,367	\$163,635	\$186,219	\$208,779	\$232,967	\$244,212	\$256,806
Benefits.....	111,804	120,765	134,077	144,754	161,693	184,030	206,334	230,305	241,341	253,723
Administration.....	1,265	1,372	1,498	1,613	1,942	2,189	2,445	2,662	2,871	3,083
Federal retirement systems.....	51,869	55,837	64,175	69,867	76,835	88,219	102,579	109,567	115,612	122,006
Benefits.....	51,804	55,765	64,077	69,754	76,693	88,030	102,334	109,305	115,341	121,723
Administration.....	65	72	98	113	142	189	245	262	271	283
Civil service retirement.....	14,455	16,124	22,350	25,970	33,011	44,546	50,586	54,337	56,303	58,936
Benefits.....	14,395	16,057	22,257	25,862	32,874	44,362	50,377	54,112	56,070	58,692
Administration.....	60	67	93	108	137	184	209	225	233	244
Other contributory systems.....	90	96	96	293	462	613	923	1,039	1,246	1,513
Benefits.....	85	91	91	288	457	608	887	1,002	1,208	1,474
Administration.....	5	5	5	5	5	5	36	37	38	39
Foreign Service.....	90	96	96	115	131	176	194	234	244	267
Benefits.....	85	91	91	110	126	171	189	229	239	262
Administration.....	5	5	5	5	5	5	5	5	5	5
Panama Canal Zone.....				178	331	437	502	557	622	723
Federal Reserve banks.....							227	248	360	445
Benefits.....							196	216	327	411
Administration.....							31	32	33	34
Alaska railroad.....									20	60
Comptroller of the Currency.....										(1)
										18
Noncontributory systems.....	37,324	39,617	41,729	43,604	43,362	43,060	51,070	54,191	58,063	61,557
Military retirement.....	35,986	38,207	39,696	41,549	41,225	40,889	48,624	51,534	55,219	58,519
ESSA ²	30	31	33	30	24	17	17	21	24	35
Coast Guard ³	1,066	1,123	1,720	1,692	1,780	1,796	2,027	2,223	2,373	2,492
Federal judiciary.....	145	157	175	225	227	218	226	233	265	307
Public Health Service.....	97	99	105	108	106	140	176	180	182	204
State and local retirement systems.....	61,200	66,300	71,400	76,500	86,800	98,000	106,200	123,400	128,600	134,800
Benefits.....	60,000	65,000	70,000	75,000	85,000	96,000	104,000	121,000	126,000	132,000
Administration.....	1,200	1,300	1,400	1,500	1,800	2,000	2,200	2,400	2,600	2,800
	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48
Total public employee retirement.....	\$269,521	\$283,449	\$297,900	\$321,959	\$305,426	\$331,737	\$354,954	\$412,645	\$510,076	\$579,503
Benefits.....	266,305	279,969	294,315	317,918	301,235	327,558	350,198	405,512	502,022	571,033
Administration.....	3,215	3,480	3,585	4,041	4,191	4,179	4,756	7,133	8,054	8,470
Federal retirement systems.....	127,621	136,349	147,900	161,559	133,126	146,737	158,654	196,645	273,376	323,003
Benefits.....	127,305	135,969	147,315	160,918	132,235	145,558	157,198	194,512	271,022	321,033
Administration.....	315	380	585	641	891	1,179	1,456	2,133	2,354	1,970
Civil service retirement.....	61,366	64,790	69,274	71,336	77,248	82,681	91,490	100,968	117,202	129,528
Benefits.....	61,091	64,458	68,752	70,772	76,453	81,625	90,174	98,998	115,023	127,729
Administration.....	275	332	522	564	795	1,056	1,316	1,972	2,179	1,799
Other contributory systems.....	1,744	1,900	2,001	2,227	2,445	2,738	2,983	3,301	3,943	4,448
Benefits.....	1,703	1,852	1,938	2,150	2,349	2,615	2,843	3,140	3,768	4,277
Administration.....	40	48	63	77	96	123	140	161	175	171
Foreign Service.....	287	303	341	408	452	498	535	564	771	932
Administration.....	281	298	331	398	442	488	525	554	761	922
Administration.....	5	5	10	10	10	10	10	10	10	10
Panama Canal Zone.....	810	881	961	996	1,064	1,172	1,251	1,413	1,574	1,728
Federal Reserve banks.....	568	603	557	634	710	784	909	985	1,200	1,371
Benefits.....	533	565	518	587	655	709	822	888	1,097	1,274
Administration.....	35	38	39	47	55	75	87	97	103	97
Alaska railroad.....	65	81	90	104	117	140	136	167	191	195
Comptroller of the Currency.....	14	17	22	31	35	45	59	61	52	42
Tennessee Valley Authority.....	15	30	54	67	99	93	111	155	180	
Benefits.....	10	16	34	36	61	50	57	93	116	
Administration.....	5	14	20	31	38	43	54	62	64	
Noncontributory systems.....	64,511	69,659	76,625	87,996	53,433	61,318	64,181	92,376	152,231	189,027
Military retirement.....	61,239	65,969	72,609	83,858	49,010	56,781	57,443	84,514	140,040	175,084
ESSA ²	37	35	36	38	23	28	30	62	94	133
Coast Guard ³	2,663	2,991	3,244	3,305	3,636	3,728	4,151	5,019	8,949	10,832
Federal judiciary.....	327	406	447	529	486	483	467	463	442	570
Public Health Service.....	245	258	259	266	278	298	315	358	451	500
Panama Canal construction.....							1,775	1,960	2,255	1,908
State and local retirement systems.....	141,900	147,100	150,000	160,400	172,300	185,500	196,300	216,000	236,700	256,500
Benefits.....	139,000	144,000	147,000	157,000	169,000	182,000	193,000	211,000	231,000	250,000
Administration.....	2,900	3,100	3,000	3,400	3,300	3,000	3,300	5,000	5,700	6,500

See footnotes at end of table.

TABLE 1-5.—Public employee retirement: Program and administrative expenditures, fiscal years, 1929–66—Continued

[In thousands]

Retirement system	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
Total public employee retirement	\$649,129	\$817,943	\$919,963	\$998,666	\$1,123,517	\$1,250,619	\$1,388,543	\$1,577,271	\$1,785,269
Benefits	639,229	806,001	906,252	982,958	1,106,699	1,233,936	1,371,878	1,559,371	1,766,212
Administration	9,900	11,942	13,711	15,708	16,818	16,683	16,665	17,900	19,057
Federal retirement systems	373,129	507,943	552,963	584,666	663,517	735,619	808,543	935,271	1,039,269
Benefits	371,229	506,001	551,252	582,958	661,699	733,936	806,878	933,371	1,037,212
Administration	1,900	1,942	1,711	1,708	1,818	1,683	1,665	1,900	2,057
Civil service retirement	159,556	179,780	205,734	229,088	280,712	321,188	355,750	421,510	490,721
Benefits	157,857	178,060	204,243	227,648	279,172	319,799	354,411	419,969	489,052
Administration	1,699	1,720	1,491	1,440	1,540	1,389	1,339	1,541	1,669
Other contributory systems	4,714	3,014	3,485	3,939	4,215	5,085	5,540	6,174	7,179
Benefits	4,513	2,792	3,265	3,671	3,937	4,791	5,214	5,815	6,791
Administration	201	222	220	268	278	294	326	359	388
Foreign Service	1,001	1,119	1,306	1,493	1,680	1,920	2,081	2,252	2,448
Benefits	991	1,104	1,291	1,478	1,665	1,905	2,051	2,202	2,401
Administration	10	15	15	15	15	15	30	50	47
Panama Canal Zone	1,891	.....	.....	.....	.....	.....	.....	.....	.....
Federal Reserve banks	1,364	1,660	1,902	2,125	2,192	2,752	2,986	3,284	3,808
Benefits	1,250	1,539	1,775	1,968	2,031	2,585	2,816	3,113	3,623
Administration	114	121	127	157	161	167	170	171	185
Alaska railroad	254	.....	.....	.....	.....	.....	.....	.....	.....
Tennessee Valley Authority	204	235	277	321	343	413	473	638	791
Benefits	127	149	199	225	241	301	347	500	635
Administration	77	86	78	96	102	112	126	138	156
Federal judiciary survivors .....	.....	.....	.....	.....	.....	.....	.....	.....	132
Noncontributory systems	208,859	325,149	343,744	351,639	378,590	409,346	447,253	507,587	541,369
Military retirement	193,319	304,376	324,089	330,598	356,385	386,298	422,102	478,932	510,784
ESSA ¹	160	209	247	265	303	320	372	436	484
Coast Guard ²	11,950	13,861	15,307	16,442	17,612	18,501	20,385	23,437	24,812
Federal judiciary	641	660	651	658	660	676	853	1,182	1,405
Public Health Service	546	787	943	1,019	1,092	1,110	1,165	1,333	1,384
Panama Canal construction	2,243	5,256	2,349	2,471	2,329	2,200	2,112	1,977	2,148
Former Lighthouse Service widows .....	.....	.....	158	186	209	226	238	244	249
Tax Court .....	.....	.....	.....	.....	15	26	46	46	103
State and local retirement systems	276,000	310,000	367,000	414,000	460,000	515,000	580,000	642,000	746,000
Benefits	268,000	300,000	355,000	400,000	445,000	500,000	565,000	626,000	729,000
Administration	8,000	10,000	12,000	14,000	15,000	15,000	15,000	16,000	17,000
	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
Total public employee retirement	\$2,026,273	\$2,342,491	\$2,569,903	\$2,870,177	\$3,189,721	\$3,569,300	\$4,056,683	\$4,520,549	\$5,145,364
Benefits	1,997,849	2,309,823	2,531,829	2,837,840	3,164,369	3,516,466	4,007,723	4,466,421	5,085,938
Administration	28,424	32,668	38,074	32,337	25,351	52,834	48,959	54,128	59,424
Federal retirement systems	1,185,273	1,377,491	1,519,903	1,701,177	1,903,721	2,145,300	2,486,683	2,780,549	3,220,364
Benefits	1,182,849	1,374,823	1,516,829	1,697,840	1,900,369	2,141,466	2,482,723	2,776,421	3,215,938
Administration	2,424	2,668	3,074	3,337	3,351	3,834	3,959	4,128	4,424
Civil service retirement	583,705	698,836	780,669	864,267	955,082	1,073,903	1,215,215	1,329,402	1,554,400
Benefits	581,692	696,613	778,063	861,412	952,249	1,070,631	1,211,848	1,325,919	1,550,658
Administration	2,013	2,223	2,606	2,855	2,833	3,272	3,367	3,483	3,741
Other contributory systems	8,375	9,670	10,710	12,324	14,453	17,210	18,550	20,578	22,947
Benefits	7,964	9,225	10,242	11,842	13,934	16,648	17,958	19,933	22,263
Administration	411	445	468	482	518	562	592	645	683
Foreign Service	2,509	2,853	3,198	4,101	5,261	6,932	7,197	7,934	8,935
Benefits	2,459	2,808	3,155	4,056	5,213	6,876	7,141	7,881	8,877
Administration	50	45	43	45	48	56	56	53	58
Federal Reserve banks	4,514	5,255	5,872	6,290	7,063	7,720	8,388	9,084	9,899
Benefits	4,300	5,039	5,646	6,049	6,799	7,450	8,095	8,751	9,571
Administration	214	216	226	241	264	270	293	333	328
Tennessee Valley Authority	1,062	1,232	1,305	1,579	1,733	2,135	2,489	3,054	3,600
Benefits	915	1,048	1,106	1,383	1,526	1,899	2,246	2,795	3,302
Administration	147	184	199	196	207	236	244	259	297
Federal judiciary survivors	290	330	335	354	396	424	476	506	513
Noncontributory systems	593,193	668,985	728,524	824,586	934,186	1,054,186	1,252,917	1,430,569	1,643,017
Military retirement	560,962	634,542	692,922	787,806	895,854	1,014,775	1,211,215	1,385,578	1,592,352
ESSA ¹	551	640	666	758	786	907	875	979	1,023
Coast Guard ²	26,046	28,095	28,975	29,961	30,860	31,772	34,280	36,958	40,786
Federal judiciary	1,619	1,582	1,890	1,889	2,144	2,087	2,022	2,519	2,864
Public Health Service	1,451	1,576	1,680	1,927	2,360	2,610	2,631	2,651	4,284
Panama Canal construction	2,183	2,038	1,898	1,735	1,624	1,477	1,338	1,279	1,117
Former Lighthouse Service widows	283	411	402	399	400	387	384	381	370
Tax Court	98	101	91	111	160	171	172	224	221
State and local retirement systems	841,000	965,000	1,050,000	1,169,000	1,286,000	1,424,000	1,570,000	1,740,000	1,925,000
Benefits	815,000	935,000	1,015,000	1,140,000	1,264,000	1,375,000	1,525,000	1,690,000	1,870,000
Administration	26,000	30,000	35,000	29,000	22,000	49,000	45,000	50,000	55,000

¹ Under \$500.² As of July 13, 1965, Coast and Geodetic Survey incorporated in Environmental Science Services Administration and name of retirement system changed accordingly.³ Includes former Lifesaving and Lighthouse Services.

Source: Federal systems, agency reports; State and local systems, estimated by Social Security Administration.

TABLE 1-6.—Unemployment insurance and employment service: Program and administrative expenditures, fiscal years, 1934-66

[In thousands]

Program	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46
Total expenditures.....	\$2,890	\$9,163	\$17,559	\$45,064	\$236,229	\$516,736	\$553,011	\$507,017	\$451,843	\$281,192	\$173,493	\$216,711	\$2,255,914
Federal.....	1,753	7,425	15,187	41,526	51,668	68,929	67,112	71,288	80,500	105,100	112,500	145,503	1,164,852
Benefits and allowances.....													23,512
Administration.....	1,753	7,425	15,187	41,526	51,668	68,929	67,112	71,288	80,500	105,100	112,500	121,991	163,943
State.....	1,137	1,738	2,372	3,538	184,561	447,807	485,899	435,729	371,343	176,092	60,993	71,208	1,091,062
Benefits.....					964	180,529	444,236	482,511	432,417	369,743	176,092	60,993	71,208
Administration.....	1,137	1,738	2,372	2,574	4,032	3,571	3,388	3,312	1,600	.....	.....	.....	.....
Program expenditures ¹.....	.....	.....	964	180,529	444,236	482,511	432,417	369,743	176,092	60,993	94,720	2,091,971	.....
Federal unemployment insurance programs.....	.....	.....	964	180,529	444,236	482,511	432,417	369,743	176,092	60,993	23,512	1,000,909	.....
Servicemen's readjustment allowances ².....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	23,512	1,000,909
State unemployment insurance programs.....	.....	.....	964	180,529	444,236	482,511	432,417	369,743	176,092	60,993	71,208	1,091,062	.....
Administrative expenditures.....	2,890	9,163	17,559	44,100	55,700	72,500	70,500	74,600	82,100	105,100	112,500	121,991	163,943
Federal funds ³	1,753	7,425	15,187	41,526	51,668	68,929	67,112	71,288	80,500	103,100	112,500	121,991	163,943
Unemployment insurance Allotments to States.....	.....	.....	4 1,022	9,560	29,400	41,700	39,480	42,920	44,160	38,260	36,140	33,111	84,263
Federal agencies ⁵.....	.....	.....	4 1,022	8,100	27,900	40,100	38,000	41,300	42,500	36,000	34,000	30,500	56,700
Servicemen's readjustment allowances ⁶.....	.....	.....	.....	1,460	1,500	1,600	1,480	1,620	1,660	2,260	2,140	2,020	2,420
Employment service ⁷	1,753	7,425	14,165	31,966	22,268	27,229	27,632	28,368	36,340	66,840	.....	591	25,143
Allotments to States.....	.....	.....	.....	29,326	19,868	24,429	24,112	25,488	33,700	49,400	61,300	72,300	67,500
Federal agencies ⁸.....	.....	.....	.....	2,640	2,400	2,800	3,520	2,880	2,640	17,440	15,060	16,580	12,180
State and local funds ⁹	1,137	1,738	2,372	2,574	4,032	3,571	3,388	3,312	1,600	.....	.....	.....	.....
	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56			
Total expenditures.....	\$2,453,705	\$1,600,821	\$1,876,196	\$2,190,133	\$1,062,835	\$1,189,405	\$1,143,181	\$1,871,761	\$2,080,647	\$1,623,523			
Federal.....	1,619,987	848,282	683,495	328,616	190,138	197,583	230,283	282,915	320,774	341,071			
Benefits and allowances.....	1,447,916	680,536	511,408	139,051	8,378	76	24,075	74,253	122,772	100,374			
Administration.....	172,071	167,746	172,087	189,565	181,760	191,507	206,208	208,662	198,002	240,697			
State benefits.....	833,718	752,539	1,192,701	1,861,517	872,697	991,822	912,898	1,588,846	1,759,873	1,282,452			
Program expenditures ¹	2,281,634	1,433,075	1,704,109	2,000,568	881,075	991,898	936,973	1,663,099	1,882,645	1,382,826			
Federal unemployment insurance programs.....	1,447,916	680,536	511,408	139,051	8,378	76	24,075	74,253	122,772	100,374			
Servicemen's readjustment allowances ²	1,447,916	677,256	509,592	138,190	8,378	76	-516	-245	-200	-2			
Reconversion benefits for seamen.....	.....	3,280	1,816	861	.....	.....	.....	24,591	74,498	106,917	70,096	16,055	30,280
Compensation for— Veterans.....	.....	.....	.....	.....	.....	.....	.....	24,591	74,498	106,917	70,096	16,055	30,280
Federal employees.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
State unemployment insurance programs.....	833,718	752,539	1,192,701	1,861,517	872,697	991,822	912,898	1,588,846	1,759,873	1,282,452			
Administrative expenditures.....	172,071	167,746	172,087	189,565	181,760	197,507	206,208	208,662	198,002	240,697			
Federal funds ³	172,071	167,746	172,087	189,565	181,760	197,507	206,208	208,662	198,002	240,697			
Unemployment insurance Allotments to States.....	98,611	95,706	107,635	121,077	92,354	102,821	116,393	132,134	123,819	141,278			
Federal agencies ⁵	59,400	67,100	81,800	109,900	87,000	97,000	110,700	129,300	120,515	137,728			
Servicemen's readjustment allowances ⁶	36,371	26,246	22,887	8,365	2,460	607	8	.....	.....	.....	.....	.....	.....
Employment service ⁷	73,460	72,040	64,452	68,488	89,406	94,686	89,815	76,528	74,183	99,419			
Allotments to States.....	67,300	67,400	60,000	64,400	85,100	90,200	85,700	72,791	70,778	95,710			
Federal agencies ⁸	6,160	4,640	4,452	4,088	4,306	4,486	4,115	3,737	3,405	3,709			

See footnotes at end of table.

TABLE 1-6.—Unemployment insurance and employment service: Program and administrative expenditures, fiscal years, 1934-66—Continued

[In thousands]

Program	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
Total expenditures	\$1,841,609	\$3,302,459	\$3,731,063	\$2,829,629	\$4,279,925	\$3,853,800	\$3,390,626	\$3,273,778	\$3,002,588	\$2,662,317
Federal	337,138	426,967	940,827	473,516	770,700	1,076,209	602,084	631,866	699,763	761,802
Benefits and allowances	81,174	126,789	618,903	136,965	398,965	671,598	166,705	177,242	216,690	231,093
Administration	255,964	300,178	321,924	336,551	371,735	404,611	435,379	454,624	483,073	530,719
State benefits	1,504,471	2,875,492	2,790,236	2,356,113	3,509,225	2,777,591	2,788,542	2,641,912	2,302,825	1,900,515
Program expenditures ¹	1,585,645	3,002,281	3,409,139	2,493,078	3,908,190	3,449,189	2,955,247	2,819,154	2,519,514	2,131,598
Federal unemployment insurance programs	81,174	126,789	618,903	136,965	398,965	668,144	152,370	152,708	132,234	94,170
Servicemen's readjustment allowances ²	5	2	1	(10)	(10)	(10)	(10)	(10)	(10)	.....
Compensation for—										
Veterans	55,113	74,292	44,201	4,497	.....	54,726	56,378	61,157	54,704	44,326
Federal employees	26,056	52,437	55,140	53,216	59,153	79,338	95,992	91,551	77,531	49,844
Ex-servicemen . . . . .	.....	.....	52,953	76,845	107,143	.....	.....	.....	.....	.....
Temporary unemployment compensation . . . . .	.....	58	466,608	2,407	.....	.....	.....	.....	.....	.....
Temporary extended unemployment compensation . . . . .	.....	.....	.....	.....	232,669	534,080	.....	.....	.....	.....
State unemployment insurance programs	1,504,471	2,875,492	2,790,236	2,356,113	3,509,225	2,777,591	2,788,542	2,641,912	2,302,825	1,900,515
Federal allowances (training, etc.) . . . . .	.....	.....	.....	.....	.....	3,454	14,335	24,534	84,455	136,913
Area redevelopment . . . . .	.....	.....	.....	.....	.....	3,454	3,492	3,650	3,004	1,048
Manpower development and training . . . . .	.....	.....	.....	.....	.....	.....	10,843	20,884	81,451	135,831
Trade adjustment assistance . . . . .	.....	.....	.....	.....	.....	.....	.....	.....	.....	34
Administrative expenditures	255,964	300,178	321,924	336,551	371,735	404,611	435,379	454,624	483,073	530,719
Federal funds ³	255,964	300,178	321,924	336,551	371,735	404,611	35,379	454,624	483,073	530,719
Unemployment insurance	153,190	194,118	205,169	207,886	244,366	253,237	248,377	260,809	258,349	250,627
Allotments to States	148,230	188,700	198,600	201,670	236,420	244,640	239,190	250,212	248,617	237,399
Federal agencies ⁵	4,960	5,418	6,569	6,216	7,946	8,597	9,187	10,597	9,732	13,228
Employment service ⁶	102,774	106,060	116,755	128,665	127,369	151,374	187,002	193,815	224,724	280,092
Allotments to States	98,820	101,676	111,770	123,606	121,797	144,409	178,475	183,165	212,248	264,700
Federal agencies ⁸	3,954	4,384	4,985	5,059	5,572	6,965	8,527	10,650	12,476	15,392

¹ Data from annual reports and other published reports of Bureau of Employment Security, except where otherwise noted.⁴ 1937 Annual Report of Social Security Board, table D-4.⁵ Includes Treasury Department administration of unemployment tax, 1937 to date.⁶ Unpublished data, Veterans Administration.⁷ Includes Wagner-Peyser grants to States, Wagner-Peyser administrative costs, and National Reemployment Service funds. Data for 1934-36 from Annual Report, Department of Labor, 1938, page 20. Beginning 1962, includes manpower training and development funds channeled through the State employment security agencies and the Bureau of Employment Security.⁸ Includes expenditures of War Manpower Commission for 1943-46.⁹ Refers to State matching of Wagner-Peyser grants. Data for 1934-38 from Annual Report, Department of Labor, 1938, page 20. Subsequent data from other agency reports.¹⁰ Less than \$500.

² Annual Reports of Veterans Administration.

³ For 1937-53, data from Division of Actuarial and Financial Services, Bureau of Employment Security, release of June 4, 1954, adjusted for State and local expenditures under Wagner-Peyser Act for 1937-42. For 1954-60, data from Bureau of Employment Security, *Compilation of Data on Federal Financing of Employment Security Programs*, August 1961, table 4. For 1961-66, data from unpublished reports, Bureau of Employment Security. Distribution between unemployment insurance and employment service provided by Bureau of Employment Security for most years; estimated by Social Security Administration for some years. Allotments to States refer to expenditures for 1961-66.

TABLE 1-7.—Railroad unemployment insurance: Program and administrative expenditures, fiscal years, 1939–66
[In thousands]

Fiscal year	Total expenditures	Benefits	Administration	Fiscal year	Total expenditures	Benefits	Administration
1938–39.....	\$1,656		\$1,656	1952–53.....	\$57,784	\$53,849	\$3,935
1939–40.....	18,916	\$14,810	4,106	1953–54.....	100,449	95,541	4,908
1940–41.....	21,122	17,699	3,423	1954–55.....	158,663	152,668	5,995
1941–42.....	11,411	8,890	2,521	1955–56.....	59,702	55,456	4,246
1942–43.....	3,937	1,753	2,184	1956–57.....	88,072	83,154	4,918
1943–44.....	3,736	547	3,189	1957–58.....	176,036	169,214	6,822
1944–45.....	4,314	728	3,586	1958–59.....	200,205	193,118	7,087
1945–46.....	24,230	20,517	3,713	1959–60.....	215,201	208,554	6,647
1946–47.....	51,178	46,617	4,561	1960–61.....	213,357	206,651	6,706
1947–48.....	35,916	32,426	3,490	1961–62.....	163,249	156,788	6,461
1948–49.....	50,453	46,745	3,708	1962–63.....	122,754	116,799	5,955
1949–50.....	119,604	113,769	5,835	1963–64.....	92,588	86,563	6,025
1950–51.....	28,302	24,780	3,522	1964–65.....	76,657	71,260	5,397
1951–52.....	26,316	22,741	3,575	1965–66.....	52,355	47,673	4,682

Source: *Annual Reports* of Railroad Retirement Board.

TABLE 1-8.—Railroad temporary disability insurance: Program and administrative expenditures, fiscal years, 1948–66

[In thousands]

Fiscal year	Total expenditures	Benefits	Administration	Fiscal year	Total expenditures	Benefits	Administration
1947–48.....	\$28,639	\$26,604	\$2,035	1957–58.....	\$54,672	\$52,544	\$2,128
1948–49.....	31,951	29,823	2,128	1958–59.....	56,995	54,757	2,238
1949–50.....	31,145	29,487	1,658	1959–60.....	68,543	66,080	2,463
1950–51.....	28,916	27,003	1,913	1960–61.....	57,974	54,974	3,000
1951–52.....	27,736	25,898	1,838	1961–62.....	56,838	54,120	2,718
1952–53.....	45,413	43,526	1,887	1962–63.....	52,833	50,035	2,798
1953–54.....	46,620	44,904	1,716	1963–64.....	50,114	47,349	2,765
1954–55.....	54,216	52,388	1,828	1964–65.....	46,461	43,984	2,477
1955–56.....	52,304	50,040	2,264	1965–66.....	42,596	40,447	2,149
1956–57.....	52,028	50,028	2,000				

Source: *Annual Reports* of Railroad Retirement Board.

TABLE 1-9.—State temporary disability insurance: Program and administrative expenditures, fiscal years, 1943-66
[In thousands]

State and program	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54
Total State temporary disability insurance.....	\$843	\$4,628	\$5,098	\$4,823	\$15,636	\$33,281	\$49,996	\$72,131	\$142,678	\$174,673	\$197,961	\$210,518
Cash and medical payments	836	4,514	4,950	4,679	14,475	30,961	46,528	68,116	137,352	169,291	191,924	204,246
Administrative expenses.....	7	114	148	144	1,161	2,320	3,468	4,015	5,326	5,382	6,037	6,272
Cash benefit payments.....	836	4,514	4,950	4,679	14,475	30,961	46,528	65,931	127,594	157,078	177,038	186,655
State-operated funds.....	836	4,514	4,950	4,679	13,374	23,567	29,066	34,501	34,973	36,034	43,097	50,575
California.....					8,971	19,243	23,244	23,750	22,486	23,066	28,240	33,544
New Jersey.....							1,224	4,655	5,112	5,537	7,146	9,135
New York State Insurance Fund ¹									617	846	943	1,106
New York Special Fund ¹									365	579	576	672
Rhode Island.....	836	4,514	4,950	4,679	4,403	4,324	4,598	6,096	6,393	6,006	6,192	6,088
Private plans.....					1,101	7,394	17,462	31,430	92,621	121,044	133,941	136,080
California ²					1,101	7,394	11,312	17,030	22,887	28,550	31,899	32,549
New Jersey ¹							6,150	14,400	19,200	24,062	27,237	26,425
New York ¹									50,534	68,432	74,805	77,106
Medical payments.....								2,185	9,758	12,213	14,886	17,591
State-operated fund: California.....								1,414	2,660	2,899	3,537	4,622
Private plans.....								771	7,098	9,314	11,349	12,969
California ²								771	2,956	3,829	4,301	4,787
New York ¹									4,142	5,485	7,048	8,182
Administrative expenses ³	7	114	148	144	1,161	2,320	3,468	4,015	5,326	5,382	6,037	6,272
California.....					1,001	2,122	2,339	2,297	2,478	2,801	3,045	3,272
New Jersey.....							895	1,025	974	1,064	1,289	1,286
New York ⁴								412	1,541	1,169	1,339	1,357
Rhode Island.....	7	114	148	144	160	198	234	281	333	348	364	357
	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
Total State temporary disability insurance.....	\$217,457	\$232,703	\$269,847	\$304,139	\$326,976	\$347,861	\$385,204	\$407,114	\$444,175	\$467,665	\$483,324	\$507,280
Cash and medical payments	210,991	226,016	262,525	296,161	318,628	338,975	375,489	396,458	431,904	454,540	469,460	492,524
Administrative expenses.....	6,466	6,687	7,322	7,978	8,348	8,886	9,715	10,656	12,271	13,125	13,864	14,756
Cash benefit payments.....	191,022	203,642	236,234	264,242	280,244	298,736	331,722	350,951	383,501	404,111	418,524	438,261
State-operated funds.....	57,769	60,452	71,396	82,745	94,159	105,730	132,005	148,631	179,679	212,158	224,241	235,128
California.....	40,590	40,924	49,151	59,302	71,288	81,096	106,209	117,429	142,310	173,027	182,507	189,315
New Jersey.....	9,114	10,518	11,842	12,273	11,300	12,175	12,766	17,718	22,235	23,080	24,620	27,367
New York State Insurance Fund ¹	1,508	1,760	2,033	2,372	2,639	2,984	3,196	3,496	3,650	3,680	3,788	4,034
New York Special Fund ¹	804	806	935	1,391	1,697	1,646	1,908	2,016	1,892	2,106	2,580	2,793
Rhode Island.....	5,753	6,444	7,435	7,407	7,235	7,829	7,926	7,972	9,592	10,265	10,746	11,619
Private plans.....	133,253	143,190	164,838	181,497	186,085	193,006	199,717	202,320	203,822	191,953	194,284	203,132
California ²	29,753	30,493	33,718	37,723	38,562	39,360	38,509	33,078	26,596	10,234	9,685	10,947
New Jersey ¹	25,130	27,334	30,405	31,181	30,442	30,912	31,764	32,454	33,265	33,394	32,921	33,656
New York ¹	78,370	85,363	100,715	112,593	117,081	122,734	129,444	136,788	143,961	148,325	151,678	158,529
Medical payments.....	19,969	22,374	26,291	31,919	38,384	40,239	43,767	45,507	48,403	50,429	50,936	54,263
State-operated fund: California.....	6,012	6,648	7,671	10,547	14,498	16,258	19,631	21,540	25,667	29,344	28,973	30,884
Private plans.....	13,957	15,726	18,620	21,372	23,886	23,981	24,136	23,967	22,736	21,085	21,963	23,379
California ²	5,377	5,923	6,560	7,476	8,933	8,606	7,632	6,723	5,214	2,577	2,480	2,616
New York ¹	8,580	9,803	12,060	13,896	14,953	15,375	16,504	17,244	17,522	18,508	19,483	20,763
Administrative expenses ³	6,466	6,687	7,322	7,978	8,348	8,886	9,715	10,656	12,271	13,125	13,864	14,756
California.....	3,343	3,559	3,986	4,465	4,568	5,100	5,852	6,592	7,931	8,714	9,444	10,159
New Jersey.....	1,324	1,347	1,391	1,361	1,401	1,439	1,560	1,664	1,820	1,886	1,957	2,134
New York ⁴	1,452	1,403	1,539	1,673	1,834	1,792	1,665	1,763	1,823	1,804	1,726	1,714
Rhode Island.....	347	378	406	479	545	555	638	637	697	721	737	749

¹ Average of calendar-year data. New York Special Fund refers to State-administered fund for payment of benefits to workers who become sick while unemployed.

² Net benefits paid in terminated cases from California Department of Employment Quarterly Reports 1951.

³ Refers to public expenditures for administering State-operated programs and supervising private plans.

⁴ Year ended March 31.

Source: Published and unpublished reports of State administrative agencies as compiled by Bureau of Employment Security and Social Security Administration.

TABLE 1-10.—Workmen's compensation: Program and administrative expenditures, fiscal years, 1929–66
[In thousands]

Fiscal year	Total expenditures			Federal			State and local			Administration
	Total	Benefit payments		Administration	Benefit payments		Administration	Total	Benefit payments	
		Total	Hospital and medical benefits ¹		Total	Hospital and medical benefits ¹			Total	Hospital and medical benefits ¹
1928-29.....	\$229,287	\$218,970	\$75,000	\$10,317	\$4,027	\$3,552	\$570	\$475	\$225,260	\$215,418
1929-30.....	238,791	228,028	75,000	10,763	4,492	4,005	628	487	234,299	224,023
1930-31.....	232,720	222,018	75,000	10,702	4,690	4,190	718	500	228,030	217,828
1931-32.....	208,969	198,965	68,000	10,004	4,691	4,210	665	481	204,278	194,755
1932-33.....	180,306	171,033	58,000	9,273	4,330	3,957	633	373	175,976	167,076
1933-34.....	172,678	162,980	55,000	9,698	4,626	4,150	979	476	168,052	158,830
1934-35.....	188,366	177,988	65,000	10,378	8,871	8,239	2,988	632	179,495	169,749
1935-36.....	204,000	192,974	73,000	11,026	7,046	6,365	1,774	681	196,954	186,609
1936-37.....	230,554	218,972	75,000	11,582	10,844	9,912	4,372	932	219,710	209,060
1937-38.....	244,006	231,961	80,000	12,045	9,988	9,016	2,961	972	234,018	222,945
1938-39.....	246,733	233,996	80,000	12,737	13,101	11,876	4,696	1,225	233,632	222,120
1939-40.....	259,192	245,959	90,000	13,233	14,199	13,035	5,159	1,164	244,993	232,924
1940-41.....	288,064	274,028	98,000	14,036	13,833	12,682	4,628	1,151	274,231	261,346
1941-42.....	323,843	309,008	104,000	14,835	11,677	10,562	3,108	1,115	312,166	298,446
1942-43.....	356,819	340,990	110,000	15,829	12,474	11,065	2,990	1,409	344,345	329,925
1943-44.....	387,290	369,981	116,000	17,309	13,081	11,623	3,381	1,458	374,209	358,358
1944-45.....	416,588	398,041	122,000	18,547	14,680	13,163	4,741	1,517	401,908	384,878
1945-46.....	440,045	420,016	132,000	20,029	12,444	10,881	2,216	1,563	427,601	409,135
1946-47.....	485,173	462,016	150,000	23,157	16,203	14,566	2,216	1,637	468,970	447,450
1947-48.....	535,716	510,019	168,000	25,697	14,979	13,613	2,819	1,366	520,737	496,406
1948-49.....	579,639	552,004	180,000	27,635	15,633	14,236	3,104	1,397	564,006	537,768
1949-50.....	625,125	595,014	193,000	30,111	25,146	23,370	5,214	1,776	599,979	571,644
1950-51.....	699,176	667,034	216,000	32,142	32,797	30,912	4,634	1,885	666,379	636,122
1951-52.....	786,762	750,997	245,000	35,765	38,358	36,234	5,997	2,124	748,404	714,763
1952-53.....	856,077	817,041	270,000	39,036	43,636	41,329	6,041	2,307	812,441	775,712
1953-54.....	902,503	860,959	295,000	41,544	45,791	43,679	6,259	2,112	856,712	817,280
1954-55.....	943,027	899,963	315,000	43,064	50,480	48,322	6,863	2,158	892,547	851,641
1955-56.....	1,007,941	962,956	335,000	44,985	53,054	50,631	6,756	2,423	954,887	912,325
1956-57.....	1,083,556	1,035,963	355,000	47,593	58,535	56,092	7,263	2,443	1,025,021	979,871
1957-58.....	1,142,164	1,090,005	370,000	52,159	62,595	59,590	7,905	3,005	1,079,569	1,030,415
1958-59.....	1,222,698	1,166,010	390,000	56,688	72,348	69,254	8,210	3,094	1,150,350	1,096,756
1959-60.....	1,308,501	1,248,975	420,000	59,526	63,060	59,931	8,975	3,129	1,245,441	1,189,044
1960-61.....	1,401,359	1,336,993	450,000	64,366	65,608	62,176	8,693	3,432	1,335,751	1,274,817
1961-62.....	1,501,412	1,433,954	475,000	67,458	67,858	63,995	8,354	3,863	1,433,554	1,369,959
1962-63.....	1,611,806	1,538,959	510,000	72,847	72,175	68,135	10,159	4,040	1,539,631	1,470,824
1963-64.....	1,722,026	1,643,986	545,000	78,040	76,330	71,994	10,386	4,336	1,645,696	1,571,992
1964-65.....	1,834,846	1,750,013	580,000	84,833	77,588	73,454	11,313	4,134	1,757,258	1,676,559
1965-66.....	1,988,217	1,899,991	630,000	88,226	79,473	75,175	11,791	4,298	1,908,744	1,824,816

¹ Hospital and medical payments for Federal and State and local components do not add to the total because figures for total and for State and local are rounded estimates.

Source: See text.

TABLE 2-1.—Public aid: Summary of expenditures, fiscal years, 1929-66

[In millions]

Fiscal year	Total expenditures			Federal			State and local		
	Total public aid	Public assistance		Other public aid	Total public aid	Public assistance		Other public aid	Total public aid
		Total	Vendor medical payments			Total	Vendor medical payments		
1928-29.....	\$60.0	\$59.9		\$0.1	..	..	..	\$60.0	\$59.9
1929-30.....	77.8	77.5		.3	..	..	..	77.8	77.5
1930-31.....	164.0	145.0		19.0	..	..	..	164.0	145.0
1931-32.....	255.9	189.9		66.0	..	..	..	255.9	189.9
1932-33.....	689.1	344.4		344.8	\$344.8	..	..	\$344.8	344.4
1933-34.....	2,530.5	435.9		2,094.6	2,003.8	..	..	2,003.8	526.7
1934-35.....	2,997.6	623.9		2,373.7	2,373.7	..	..	2,373.7	623.9
1935-36.....	3,079.4	655.8		2,423.6	2,309.6	\$20.2	..	2,289.4	769.8
1936-37.....	3,436.0	779.5		2,656.5	2,494.1	142.9	..	2,351.2	942.0
1937-38.....	3,232.9	990.9		2,242.0	2,075.3	212.9	..	1,862.4	1,157.6
1938-39.....	4,229.6	1,102.2		3,127.4	2,870.7	244.8	..	2,625.8	1,358.9
1939-40.....	¹ 3,597.0	¹ 1,124.3		2,472.7	2,243.1	280.1	..	1,963.1	1,352.8
1940-41.....	3,523.7	1,108.2		2,415.5	2,187.6	334.3	..	1,853.3	1,336.1
1941-42.....	2,777.1	1,061.5		1,715.6	1,698.0	374.4	..	1,323.6	1,079.1
1942-43.....	1,549.7	1,011.5		588.2	818.3	395.9	..	422.4	731.3
1943-44.....	1,031.5	1,014.5		17.0	427.5	410.5	..	17.0	604.0
1944-45.....	1,030.6	1,028.8		..	1.7	420.1	418.4	..	610.4
1945-46.....	1,150.6	1,148.4		2.2	449.2	447.0	..	2.2	701.5
1946-47.....	1,441.8	1,441.7		.2	617.2	617.0	..	.2	824.7
1947-48.....	1,702.0	1,701.6		.3	724.0	723.7	..	.3	977.9
1948-49.....	2,089.1	2,088.5		.6	941.5	940.9	..	.6	1,147.6
1949-50.....	2,496.2	2,490.2	\$51.3	6.0	1,103.2	1,097.2	..	6.0	1,393.0
1950-51.....	2,591.7	2,584.9	100.7	6.8	1,196.4	1,189.6	\$5.7	6.8	1,395.3
1951-52.....	2,584.7	2,584.1	119.1	.5	1,211.3	1,210.7	11.3	.5	1,373.4
1952-53.....	2,727.9	2,727.5	154.4	.4	1,360.8	1,360.4	16.3	.4	1,367.1
1953-54.....	2,788.2	2,776.3	175.5	11.9	1,419.5	1,407.6	19.4	11.9	1,368.7
1954-55.....	3,003.0	2,941.1	211.9	61.9	1,504.2	1,442.3	23.3	61.9	1,498.8
1955-56.....	3,114.7	3,023.7	252.7	91.0	1,555.4	1,464.4	29.0	91.0	1,559.3
1956-57.....	3,308.5	3,230.6	287.6	77.9	1,690.0	1,612.1	37.6	77.9	1,618.5
1957-58.....	3,615.4	3,539.5	320.2	75.9	1,834.9	1,759.1	74.6	75.9	1,780.5
1958-59.....	3,997.9	3,890.9	410.0	107.0	2,082.1	1,975.1	150.9	107.0	1,915.8
1959-60.....	4,101.1	4,041.7	492.7	59.4	2,116.9	2,057.5	199.8	59.4	1,984.2
1960-61.....	4,444.3	4,301.0	588.9	143.4	2,337.3	2,193.9	253.5	143.4	2,107.1
1961-62.....	4,945.3	4,675.0	812.4	270.3	2,741.3	2,470.9	394.8	270.9	2,204.1
1962-63.....	5,295.9	5,029.0	1,000.8	267.0	2,999.3	2,732.4	510.1	267.0	2,296.6
1963-64.....	5,642.1	5,381.1	1,147.6	261.0	3,208.2	2,947.2	490.0	261.0	2,433.9
1964-65.....	6,283.4	5,874.9	1,367.1	408.5	3,593.9	3,185.4	555.0	408.5	2,689.5
1965-66.....	7,301.4	6,497.5	1,709.9	803.9	4,366.3	3,562.4	758.0	803.9	2,935.1

¹ Includes \$1.0 million not distributed between Federal and State and local sectors.

TABLE 2-2.—Public assistance: Payments and administrative expenditures, fiscal years, 1929-66

[In thousands]

Program	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
<i>Total</i>										
Total public assistance..	\$59,900	\$77,500	\$145,000	\$189,851	\$344,366	\$435,852	\$623,929	\$655,826	\$779,531	\$990,944
Payments.....	59,900	77,500	145,000	183,946	338,038	429,400	615,695	643,890	717,664	913,880
Categorical assistance.....	32,600	38,500	52,400	65,246	69,933	71,290	94,143	141,841	316,234	462,470
Old-age assistance.....		700	8,900	20,782	25,621	27,071	47,193	88,873	244,201	360,249
Aid to families with dependent children.....	29,200	33,800	38,400	39,503	38,777	38,044	39,224	43,154	58,501	84,505
Aid to the blind.....	3,400	4,000	5,100	4,961	5,535	6,175	7,726	9,814	13,533	17,716
General assistance.....	27,300	39,000	92,600	118,700	268,105	358,110	521,552	502,049	401,430	451,410
Administration.....	(1)	(1)	(1)	2 5,905	2 6,323	2 6,452	2 8,234	2 11,936	61,867	77,064
<i>Federal</i>										
Total public assistance..									20,202	142,886
Payments.....									19,178	135,313
Categorical assistance.....									19,178	201,400
Old-age assistance.....									16,602	135,313
Aid to families with dependent children.....									119,095	174,085
Aid to the blind.....									1,691	12,005
Administration.....									885	22,269
									1,024	5,046
										7,573
<i>State and local</i>										
Total public assistance..	59,900	77,500	145,000	189,851	344,366	435,852	623,929	635,624	636,645	778,012
Payments.....	59,900	77,500	145,000	183,946	338,038	429,400	615,695	624,712	582,351	712,480
Categorical assistance.....	32,600	38,500	52,400	65,246	69,933	71,290	94,143	122,663	180,921	261,070
Old-age assistance.....		700	8,900	20,782	25,621	27,071	47,193	72,271	125,106	186,164
Aid to families with dependent children.....	29,200	33,800	38,400	39,503	38,777	38,044	39,224	41,463	46,495	62,235
Aid to the blind.....	3,400	4,000	5,100	4,961	5,535	6,175	7,726	8,929	9,320	12,671
General assistance.....	27,300	39,000	92,600	118,700	268,105	358,110	521,552	502,049	401,430	451,410
Administration.....	(1)	(1)	(1)	2 5,905	2 6,328	2 6,452	2 8,234	2 10,912	54,294	65,532
	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48
<i>Total</i>										
Total public assistance..	\$1,102,160	\$1,124,310	\$1,108,182	\$1,061,464	\$1,011,450	\$1,014,494	\$1,028,849	\$1,148,415	\$1,441,689	\$1,701,624
Payments.....	1,017,824	1,038,991	1,011,185	969,299	928,940	935,826	951,229	1,064,191	1,342,202	1,584,824
Categorical assistance.....	545,465	594,541	673,337	749,800	791,411	840,441	865,823	963,231	1,198,354	1,401,810
Old-age assistance.....	418,309	449,969	505,063	568,631	616,569	679,329	701,951	761,587	910,330	1,037,554
Aid to families with dependent children.....	107,055	123,366	146,003	157,405	149,962	135,896	138,533	173,107	254,547	325,716
Aid to the blind.....	20,101	21,206	22,270	23,764	24,880	25,215	25,339	28,536	33,477	38,540
General assistance.....	472,359	444,450	337,848	219,499	137,529	95,385	85,406	100,960	143,848	183,014
Administration.....	84,335	85,319	86,998	92,166	82,511	78,668	77,619	84,226	99,486	116,800
<i>Federal</i>										
Total public assistance..	244,848	280,053	334,253	374,396	395,881	410,454	418,418	446,963	617,029	723,689
Payments.....	231,359	266,667	315,293	352,520	372,095	385,840	393,323	419,510	580,766	679,916
Categorical assistance.....	231,359	266,667	315,293	352,520	372,095	385,840	393,323	419,510	580,766	679,916
Old-age assistance.....	198,645	220,415	251,271	282,649	305,748	326,845	335,453	354,983	471,995	539,131
Aid to families with dependent children.....	27,544	40,447	57,533	62,774	58,627	50,266	48,520	54,869	95,875	125,695
Aid to the blind.....	5,170	5,805	6,489	7,097	7,720	8,729	9,350	9,658	12,896	15,090
Administration.....	13,489	13,386	18,960	21,876	23,786	24,614	25,095	27,453	36,263	43,773
<i>State and local</i>										
Total public assistance..	857,312	843,230	773,929	687,068	615,566	604,040	610,432	701,452	824,660	997,735
Payments.....	786,466	772,323	695,893	616,779	556,843	549,986	557,907	644,679	761,436	904,908
Categorical assistance.....	314,107	327,874	358,045	397,280	419,315	454,600	472,501	543,720	617,588	721,894
Old-age assistance.....	219,665	229,554	253,792	285,982	310,821	352,484	366,498	406,604	438,335	498,423
Aid to families with dependent children.....	79,511	82,919	88,470	94,631	91,335	85,630	90,013	118,238	158,672	200,021
Aid to the blind.....	14,931	15,401	15,782	16,667	17,160	16,486	15,990	18,878	20,581	23,450
General assistance.....	472,359	444,450	337,848	219,499	137,529	95,385	85,406	100,960	143,848	183,014
Administration.....	70,846	70,907	78,036	70,289	58,723	54,054	52,524	56,773	63,225	73,027

See footnotes at end of table.

TABLE 2-2.—Public assistance: Payments and administrative expenditures, fiscal years, 1929-66—Continued
[In thousands]

Program	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
<i>Total</i>									
Total public assistance.....	\$2,088,527	\$2,490,199	\$2,584,860	\$2,584,127	\$2,727,503	\$2,776,337	\$2,941,055	\$3,023,722	\$3,230,599
Payments.....	1,950,633	2,328,671	2,409,319	2,392,643	2,523,904	2,563,335	2,713,459	2,781,698	2,970,006
Categorical assistance.....	1,718,370	2,009,327	2,127,106	2,168,149	2,311,808	2,343,468	2,426,790	2,511,256	2,694,012
Old-age assistance.....	1,259,381	1,437,982	1,472,544	1,487,605	1,581,052	1,589,618	1,589,811	1,633,533	1,724,289
Aid to families with dependent children.....	414,139	520,330	567,683	547,268	562,039	561,111	620,561	639,476	700,269
Aid to the blind.....	44,850	51,016	54,367	58,209	64,325	66,763	69,322	73,064	80,610
Aid to the permanently and totally disabled.....			32,512	75,067	104,392	125,976	147,095	165,183	188,844
General assistance.....	232,263	319,344	282,213	224,494	212,096	219,867	286,669	270,442	275,994
Administration.....	137,893	161,528	175,540	191,484	203,599	213,002	227,596	242,024	260,592
<i>Federal</i>									
Total public assistance.....	940,898	1,097,156	1,189,610	1,210,720	1,360,403	1,407,606	1,442,255	1,464,412	1,612,067
Payments.....	889,047	1,038,507	1,122,383	1,133,543	1,277,180	1,320,068	1,350,294	1,365,411	1,505,031
Categorical assistance.....	889,047	1,038,507	1,122,383	1,133,543	1,277,180	1,320,068	1,350,294	1,365,411	1,505,031
Old-age assistance.....	693,690	789,362	794,004	783,758	874,998	896,540	886,034	886,234	956,462
Aid to families with dependent children.....	176,363	227,216	288,769	285,512	317,241	325,440	355,981	362,563	412,701
Aid to the blind.....	18,994	21,929	24,453	27,316	31,507	33,287	34,182	35,072	38,563
Aid to the permanently and totally disabled.....			15,157	36,957	53,433	64,802	74,098	81,542	97,305
Administration.....	51,851	58,649	67,227	77,177	83,223	87,538	91,961	99,001	107,036
<i>State and local</i>									
Total public assistance.....	1,147,630	1,393,043	1,395,250	1,373,407	1,367,099	1,368,731	1,498,800	1,559,310	1,618,531
Payments.....	1,061,586	1,290,164	1,286,937	1,259,100	1,246,724	1,243,267	1,363,165	1,416,287	1,464,976
Categorical assistance.....	829,323	970,820	1,004,724	1,034,606	1,034,628	1,023,400	1,076,496	1,145,845	1,188,981
Old-age assistance.....	565,691	648,619	678,539	703,847	706,054	693,079	703,778	747,299	767,828
Aid to families with dependent children.....	237,776	293,114	278,914	261,756	244,798	235,671	264,580	276,913	287,569
Aid to the blind.....	25,856	29,086	29,914	30,893	32,818	33,476	35,140	37,992	42,047
Aid to the permanently and totally disabled.....			17,355	38,110	50,960	61,175	72,997	83,641	91,539
General assistance.....	232,263	319,344	282,213	224,494	212,096	219,867	286,669	270,442	275,994
Administration.....	86,043	102,879	108,313	114,307	120,376	125,464	135,635	143,023	153,556
	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
<i>Total</i>									
Total public assistance.....	\$3,539,512	\$3,890,892	\$4,041,713	\$4,300,953	\$4,675,028	\$5,028,957	\$5,381,094	\$5,874,891	\$6,497,489
Payments.....	3,251,007	3,574,386	3,705,216	3,938,653	4,268,996	4,583,000	4,865,643	5,285,321	5,796,810
Categorical assistance.....	2,911,176	3,148,114	3,279,254	3,472,188	3,861,116	4,200,497	4,490,691	4,903,394	5,446,378
Old-age assistance.....	1,798,374	1,858,004	1,894,639	1,914,946	1,899,039	2,003,338	2,030,947	2,042,572	2,003,939
Aid to families with dependent children.....	815,196	956,380	1,021,097	1,118,991	1,338,603	1,425,874	1,536,796	1,724,883	1,858,952
Aid to the blind.....	85,397	89,066	92,309	93,991	92,819	95,001	96,665	98,898	91,373
Aid to the permanently and totally disabled.....			212,209	244,664	271,208	301,361	334,528	387,109	442,636
Medical assistance for the aged.....					42,899	196,127	289,175	383,648	523,694
Medical assistance.....									372,352
General assistance.....	339,831	426,273	425,963	466,465	407,880	382,503	374,952	381,927	350,432
Administration.....	288,505	316,506	336,497	362,300	406,032	445,958	514,146	588,488	698,681
Research and demonstration.....							1,305	1,081	1,998
<i>Federal</i>									
Total public assistance.....	1,759,052	1,975,122	2,057,506	2,193,903	2,470,949	2,732,389	2,947,174	3,185,382	3,562,425
Payments.....	1,641,572	1,847,971	1,921,605	2,048,829	2,303,515	2,535,390	2,701,415	2,885,320	3,192,688
Categorical assistance.....	1,641,572	1,847,971	1,921,605	2,048,829	2,303,515	2,535,390	2,701,415	2,885,320	3,192,688
Old-age assistance.....	1,002,652	1,092,347	1,111,814	1,159,941	1,207,745	1,297,769	1,321,203	1,323,352	1,318,577
Aid to families with dependent children.....	486,113	574,351	611,177	655,872	770,245	826,750	883,014	956,470	1,030,954
Aid to the blind.....	41,035	44,515	45,354	44,992	43,689	45,401	46,762	46,872	49,313
Aid to the permanently and totally disabled.....	111,773	136,758	153,260	166,669	182,346	217,993	253,975	287,338	320,768
Medical assistance for the aged.....				21,355	99,482	147,477	196,461	271,288	279,434
Medical assistance.....									193,642
General assistance.....	117,480	127,151	135,901	145,074	167,434	196,999	244,454	298,981	367,739
Administration.....	171,025	189,355	200,596	217,226	238,598	248,959	269,692	289,507	330,942
Research and demonstration.....							1,305	1,081	1,998
<i>State and local</i>									
Total public assistance.....	1,780,460	1,915,771	1,984,208	2,107,050	2,204,079	2,296,568	2,433,920	2,689,509	2,935,064
Payments.....	1,609,435	1,726,416	1,783,611	1,889,824	1,965,481	2,047,609	2,164,228	2,400,002	2,604,122
Categorical assistance.....	1,269,604	1,300,143	1,357,649	1,423,359	1,557,601	1,665,107	1,789,276	2,018,074	2,253,690
Old-age assistance.....	795,722	765,657	782,826	755,005	691,294	705,570	709,743	719,220	685,361
Aid to families with dependent children.....	329,083	382,028	409,920	463,119	568,358	599,124	653,782	768,414	827,998
Aid to the blind.....	44,362	44,550	46,955	48,999	49,121	49,600	49,903	52,026	42,061
Aid to the permanently and totally disabled.....	100,437	107,906	117,948	134,691	152,182	169,116	188,662	226,008	261,248
Medical assistance for the aged.....				21,544	96,645	141,699	187,186	252,406	258,311
Medical assistance.....									178,710
General assistance.....	339,831	426,273	425,963	466,465	407,880	382,503	374,952	381,927	350,432
Administration.....	171,025	189,355	200,596	217,226	238,598	248,959	269,692	289,507	330,942

¹ Not available.² For categorical assistance only. Administrative expenses for general assistance not available separately; included with payments for general assistance.³ Includes sums not distributed between Federal and State and local sectors: \$1,025,896 in 1939-40; \$1,645 in 1940-41; and \$2,002 in 1941-42.

Source: See text.

TABLE 2-3.—Public assistance: Expenditures for money payments and vendor medical payments (excluding administration), fiscal years, 1950-66

[In thousands]

Fiscal year	Total expenditures			Federal			State and local		
	Total payments	Money payments ¹	Vendor medical payments ¹	Total payments ¹	Money payments	Vendor medical payments	Total payments ¹	Money payments	Vendor medical payments
1949-50.....	\$2,328,671	\$2,277,371	\$51,300	\$1,038,507	\$1,038,500	.....	\$1,290,164	\$1,238,900	\$51,300
1950-51.....	2,409,319	2,308,573	100,746	1,122,383	1,116,700	\$5,700	1,286,937	1,191,900	95,000
1951-52.....	2,392,643	2,273,496	119,147	1,133,543	1,122,200	11,300	1,259,100	1,151,300	107,800
1952-53.....	2,523,904	2,369,547	154,357	1,277,180	1,260,900	16,300	1,246,724	1,108,600	138,100
1953-54.....	2,563,335	2,387,881	175,454	1,320,068	1,300,700	19,400	1,243,267	1,087,200	156,100
1954-55.....	2,713,459	2,501,577	211,882	1,350,294	1,327,000	23,300	1,363,165	1,174,600	188,600
1955-56.....	2,781,698	2,529,001	252,697	1,365,411	1,336,400	29,000	1,416,287	1,192,600	223,700
1956-57.....	2,970,006	2,682,406	287,600	1,505,031	1,467,400	37,600	1,464,976	1,215,000	250,000
1957-58.....	3,251,007	2,930,830	320,177	1,641,572	1,567,000	74,600	1,609,435	1,363,800	245,600
1958-59.....	3,574,386	3,164,419	409,967	1,847,971	1,697,100	150,900	1,726,416	1,467,300	259,100
1959-60.....	3,705,216	3,212,516	492,700	1,921,605	1,721,800	199,800	1,783,611	1,490,700	292,900
1960-61.....	3,938,653	3,349,786	588,867	2,048,829	1,795,300	253,500	1,889,824	1,554,400	335,400
1961-62.....	4,268,996	3,456,631	812,365	2,303,515	1,908,700	394,800	1,965,481	1,547,900	417,600
1962-63.....	4,583,000	3,582,178	1,000,822	2,535,390	2,025,300	510,100	2,047,609	1,556,900	490,700
1963-64.....	4,865,643	3,718,046	1,147,597	2,701,415	2,211,400	490,000	2,164,228	1,506,600	657,600
1964-65.....	5,285,321	3,918,196	1,367,125	2,885,320	2,330,300	555,000	2,400,002	1,587,900	812,100
1965-66.....	5,796,810	4,086,880	1,709,930	3,192,688	2,434,700	758,000	2,604,122	1,652,200	951,900

¹ Money and vendor medical payments for Federal and State and local components do not add to the total because the detailed figures are rounded estimates.

Source: Welfare Administration, Bureau of Family Services, *Assistance and Administration by Source of Funds, Fiscal Years 1936 to Date*, and unpublished data.

TABLE 2-4.—Other public aid: Program and administrative expenditures, fiscal years, 1929–66

[In thousands]

Program	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
<i>Total</i>										
Total other public aid.....	\$80	\$300	\$19,000	\$66,000	\$344,758	\$2,094,630	\$2,373,687	\$2,423,559	\$2,656,496	\$2,241,998
Work-relief programs.....	80	300	19,000	66,000	8,774	1,318,740	446,836	1,884,815	2,587,871	2,178,700
Civilian Conservation Corps.....					8,774	331,941	435,509	486,281	385,808	326,383
Civil Works Administration.....						986,799	11,327	676	297	222
Work Projects Administration ¹								1,361,034	2,132,094	1,795,302
National Youth Administration ²								36,824	69,672	56,793
Other.....	80	300	19,000	66,000						
Emergency and general relief programs.....					335,984	775,890	1,926,851	538,744	68,625	63,298
Reconstruction Finance Corporation.....					298,074	487				
Federal Emergency Relief Administration ³					37,910	667,299	1,737,907	487,428	8,242	98
Surplus commodities ⁴					108,104	188,944		31,000	20,500	35,000
Farm Security Administration ⁵								20,316	39,883	28,200
<i>Federal</i>										
Total other public aid.....					344,758	2,003,792	2,373,687	2,289,363	2,351,176	1,862,402
Work-relief programs.....					8,774	1,227,902	446,836	1,750,619	2,282,551	1,799,104
Civilian Conservation Corps.....					8,774	331,941	435,509	486,281	385,808	326,383
Civil Works Administration.....						895,961	11,327	676	297	222
Work Projects Administration ¹								1,228,144	1,830,884	1,421,318
National Youth Administration ²								35,518	65,612	51,181
Emergency and general relief programs.....					335,984	775,890	1,926,851	538,744	68,625	63,298
Reconstruction Finance Corporation.....					298,074	487				
Federal Emergency Relief Administration ³					37,910	667,299	1,737,907	487,428	8,242	98
Surplus commodities ⁴					108,104	188,944		31,000	20,500	35,000
Farm Security Administration ⁵								20,316	39,883	28,200
<i>State and local</i>										
Total other public aid.....	80	300	19,000	66,000		90,838		134,196	305,320	379,596
Work-relief programs.....	80	300	19,000	66,000		90,838		134,196	305,320	379,596
Civil Works Administration.....						90,838				
Work Projects Administration ¹								132,890	301,260	373,984
National Youth Administration ²								1,306	4,060	5,612
Other.....	80	300	19,000	66,000						

See footnotes at end of table.

TABLE 2-4.—Other public aid: Program and administrative expenditures, fiscal years, 1929-66—Continued

[In thousands]

Program	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48
<i>Total</i>										
Total other public aid.....	\$3,127,405	\$2,472,692	\$2,415,537	\$1,715,611	\$538,230	\$17,049	\$1,720	\$2,224	\$159	\$343
Work-relief programs.....	3,031,792	2,367,479	2,240,537	1,566,634	474,387	15,083	112	.....	.....	.....
Civil Conservation Corps.....	290,386	283,245	257,397	162,670	15,028	.....	.....	.....	.....	.....
Civil Works Administration.....	222	12	.....	.....	.....	.....	.....	.....	.....	.....
Work Projects Administration ¹	2,656,217	1,976,499	1,832,564	1,263,593	400,246	6,370	.....	.....	.....	.....
National Youth Administration ²	84,967	107,723	150,576	140,371	59,113	8,713	112	.....	.....	.....
Emergency and general relief programs.....	95,613	105,213	175,000	148,977	63,843	1,966	1,608	2,224	159	343
Federal Emergency Relief Administration ³	704	541	.....	.....	.....	.....	.....	.....	.....	.....
Surplus commodities ⁴	65,000	56,000	65,520	24,173	12,589	1,498	311	75	117	343
Food stamp ⁴	124	16,414	82,820	111,616	49,129	.....	.....	.....	.....	.....
Farm Security Administration ⁵	29,785	32,258	26,660	13,188	1,725	277	197	249	42	.....
Refugee assistance:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Assistance to enemy aliens ⁶.....	.....	.....	.....	.....	200	100	200	900	.....	.....
Aid to repatriates ⁶.....	.....	.....	.....	.....	200	100	900	1,000	.....	.....
<i>Federal</i>										
Total other public aid.....	2,625,825	1,963,082	1,853,344	1,323,626	422,458	17,049	1,720	2,224	159	343
Work-relief programs.....	2,530,212	1,857,869	1,678,344	1,174,649	358,615	15,083	112	.....	.....	.....
Civilian Conservation Corps.....	290,386	283,245	257,397	162,670	15,028	.....	.....	.....	.....	.....
Civil Works Administration.....	222	12	.....	.....	.....	.....	.....	.....	.....	.....
Work Projects Administration ¹	2,164,457	1,482,121	1,284,594	882,443	285,050	6,370	.....	.....	.....	.....
National Youth Administration ²	75,147	92,491	136,353	129,536	58,537	8,713	112	.....	.....	.....
Emergency and general relief programs.....	95,613	105,213	175,000	148,977	63,843	1,966	1,608	2,224	159	343
Federal Emergency Relief Administration ³	704	541	.....	.....	.....	.....	.....	.....	.....	.....
Surplus commodities ⁴	65,000	56,000	65,520	24,173	12,589	1,489	311	75	117	343
Food stamp ⁴	124	16,414	82,820	111,616	49,129	.....	.....	.....	.....	.....
Farm Security Administration ⁵	29,785	32,258	26,660	13,188	1,725	277	197	249	42	.....
Refugee assistance:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Assistance to enemy aliens ⁶.....	.....	.....	.....	.....	200	100	200	900	.....	.....
Aid to repatriates ⁶.....	.....	.....	.....	.....	200	100	900	1,000	.....	.....
<i>State and local</i>										
Total other public aid.....	501,580	509,610	562,193	391,985	115,772	.....	.....	.....	.....	.....
Work-relief programs.....	501,580	509,610	562,193	391,985	115,772	.....	.....	.....	.....	.....
Work Projects Administration ¹	491,760	494,378	547,970	381,150	115,196	.....	.....	.....	.....	.....
National Youth Administration ²	9,820	15,232	14,223	10,835	576	.....	.....	.....	.....	.....

See footnotes at end of table.

TABLE 2-4.—Other public aid: Program and administrative expenditures, fiscal years, 1929-66—Continued

[In thousands]

Program	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
<i>Total</i>									
Total other public aid.....	\$613	\$6,038	\$6,812	\$533	\$360	\$11,884	\$61,948	\$90,945	\$77,918
Emergency and general relief programs.....	613	6,038	6,812	533	360	11,884	61,948	90,945	77,918
Surplus commodities ⁴	613	6,038	6,812	533	360	11,884	61,948	90,945	77,918
<i>Federal</i>									
Total other public aid.....	613	6,038	6,812	533	360	11,884	61,948	90,945	77,918
Emergency and general relief programs.....	613	6,038	6,812	533	360	11,884	61,948	90,945	77,918
Surplus commodities ⁴	613	6,038	6,812	533	360	11,884	61,948	90,945	77,918
	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
<i>Total</i>									
Total other public aid.....	\$75,892	\$107,001	\$59,410	\$143,368	\$270,308	\$266,955	\$261,046	\$408,541	\$803,910
Emergency and general relief programs.....	75,982	107,001	59,410	143,368	270,308	266,955	261,046	283,455	224,374
Surplus commodities ⁴	75,892	107,001	59,410	139,988	226,910	204,391	197,144	226,883	134,060
Food stamp ⁴				906	14,118	20,385	30,507	35,561	70,308
Refugee assistance:									
Aid to repatriates ⁶					477	412	396	346	343
Cuban refugee program ⁷				2,474	28,803	41,767	32,999	20,665	19,663
Economic opportunity programs.....								125,086	579,536
Job Corps.....								53,523	258,166
Neighborhood Youth Corps.....								50,895	245,188
Work experience.....								20,668	76,182
<i>Federal</i>									
Total other public aid.....	75,892	107,001	59,410	143,368	270,308	266,955	261,046	408,541	803,910
Emergency and general relief programs.....	75,892	107,001	59,410	143,368	270,308	266,955	261,046	283,455	224,374
Surplus commodities ⁴	75,892	107,001	59,410	139,988	226,910	204,391	197,144	226,883	134,060
Food stamp ⁴				906	14,118	20,385	30,507	35,561	70,308
Refugee assistance:									
Aid to repatriates ⁶					477	412	396	346	343
Cuban refugee program ⁷				2,474	28,803	41,767	32,999	20,665	19,663
Economic opportunity programs.....								125,086	579,536
Job Corps.....								53,523	258,166
Neighborhood Youth Corps.....								50,895	245,188
Work experience.....								20,668	76,182

¹ Data for 1936-40 include NYA administrative expenses. State and local expenditures for 1941-43 from Federal Works Agency, *Final Report on the WPA Program, 1935-43*, 1946, page 101.

² Administrative expenses for 1936-40 included with WPA expenditures. State and local expenditures for 1941-43 from Federal Security Agency, War Manpower Commission, *Final Report of the National Youth Administration, Fiscal Years, 1936-43*, 1944, page 96.

³ Excludes expenditures for surplus commodities, listed separately.

⁴ Beginning 1936, data from Consumer and Marketing Service (formerly the Agricultural Marketing Service), Department of Agriculture.

⁵ Refers to direct grants and subsistence payments. Includes administrative expenses of loans and grants before 1940. Data on obligations basis after 1940.

⁶ Data for 1943-46 from *Social Security Yearbooks, 1943-47*.

⁷ 1962 data from Welfare Administration, Department of Health, Education, and Welfare. Data for all years on obligations basis.

Source: Except where otherwise noted, data before 1932 estimated as described in text; data for 1932-40 from Report of the Committee on Long-Range Work and Relief Policies to the National Resources Planning Board, *Security, Work, and Relief Policies, 1942*, appendix 19, pages 598-601; and data for 1941-66 from Bureau of the Budget, *Budget of the United States Government*, and *Budget Appendix*.

TABLE 3-1.—Health and medical programs: Summary of expenditures, fiscal years, 1929–66

[In millions]

Program	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41
<i>Total</i>													
Total health and medical programs.....	\$351.1	\$378.1	\$405.8	\$434.5	\$417.6	\$400.3	\$427.2	\$453.9	\$500.1	\$539.5	\$575.2	\$615.5	\$724.4
Hospital and medical care.....	146.3	162.7	179.1	218.2	232.4	226.3	253.1	267.1	277.6	289.5	290.2	343.0	472.9
Civilian programs.....	117.1	133.7	150.2	187.9	204.5	199.4	225.3	237.5	245.9	255.9	255.3	297.6	315.1
Defense Department ¹	29.2	29.0	29.0	30.3	28.0	26.9	27.7	29.7	31.7	33.6	34.9	45.4	157.8
Maternal and child health programs ²	6.2	.....	.....	.....	.....	6.9	2.5	9.9	11.6	13.0	13.8	16.0	.....
Medical research.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.7	2.0	2.6	2.5
School health (educational agencies).....	9.4	9.7	10.1	10.5	10.0	9.3	10.0	10.6	12.1	13.5	15.0	16.4	17.8
Other public health activities.....	88.8	102.3	108.6	115.0	114.6	114.9	112.2	121.0	132.1	147.7	153.3	154.5	152.4
Medical-facilities construction.....	100.4	103.4	107.7	89.2	59.8	49.6	44.8	52.1	66.8	75.5	101.7	85.2	62.7
Defense Department.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	18.6	.....
Other.....	100.4	103.4	107.7	89.2	59.8	49.6	44.8	52.1	66.8	75.5	101.7	85.2	44.0
<i>Federal</i>													
Total health and medical programs.....	46.7	47.4	50.8	55.1	51.8	48.0	49.5	54.5	69.7	72.6	79.0	96.6	231.5
Hospital and medical care.....	37.7	37.7	38.7	40.8	39.5	36.3	39.4	42.2	46.6	46.8	49.6	60.9	174.7
Civilian programs.....	8.5	8.7	9.8	10.5	11.6	9.4	11.6	12.6	14.9	13.2	14.7	15.5	16.9
Defense Department ¹	29.2	29.0	29.0	30.3	28.0	26.9	27.7	29.7	31.7	33.6	34.9	45.4	157.8
Maternal and child health programs ²	1.2	.....	.....	.....	.....	.....	1.5	5.5	6.4	7.1	7.8	9.5	.....
Medical research.....	.....	.....	.....	1.6	0.9	0.3	0.3	0.5	1.4	1.7	2.0	2.6	2.5
Other public health activities.....	6.9	7.3	7.6	8.0	6.6	5.9	6.6	9.7	15.8	17.2	19.0	22.7	25.5
Medical-facilities construction.....	0.9	2.4	4.2	4.7	4.8	5.6	3.3	0.6	0.3	0.5	1.2	2.7	19.2
Defense Department.....	.....	.....	.....	4.7	4.8	5.6	3.3	0.6	0.3	0.5	1.2	2.7	18.6
Other.....	0.9	2.4	4.2	4.7	4.8	5.6	3.3	0.6	0.3	0.5	1.2	2.7	0.5
<i>State and local</i>													
Total health and medical programs.....	304.4	330.7	355.0	379.4	365.8	352.3	377.7	399.3	430.3	466.9	496.2	518.9	492.9
Hospital and medical care.....	108.6	125.0	140.4	177.4	192.9	190.0	213.7	224.9	231.0	242.7	240.6	282.1	298.2
Maternal and child health programs ²	5.0	.....	.....	.....	.....	6.9	1.0	4.4	5.2	5.8	6.0	6.5	.....
School health (educational agencies).....	9.4	9.7	10.1	10.5	9.9	9.3	10.0	10.6	12.1	13.5	15.0	16.4	17.8
Other public health activities.....	81.9	95.0	101.0	107.0	108.0	109.0	105.6	111.4	116.3	130.5	134.3	131.9	126.8
Medical-facilities construction.....	99.5	101.0	103.5	84.5	55.0	44.0	41.5	51.5	66.5	75.0	100.5	82.5	43.5
	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54
<i>Total</i>													
Total health and medical programs.....	\$948.7	\$1,885.8	\$2,225.1	\$2,354.2	\$1,904.1	\$1,367.0	\$1,416.0	\$1,753.1	\$2,063.5	\$2,782.8	\$3,331.3	\$3,190.4	\$3,099.1
Hospital and medical care.....	63.1	1,456.3	1,866.8	1,995.9	1,528.6	963.9	941.4	1,096.5	1,222.3	1,812.1	2,207.5	2,157.9	2,035.7
Civilian programs.....	311.7	325.4	335.0	364.8	400.6	567.6	696.3	782.4	886.1	980.0	1,087.7	1,185.5	1,227.4
Defense Department ¹	349.6	1,130.9	1,531.8	1,631.1	1,128.0	396.2	245.1	314.1	336.2	832.0	1,119.8	972.4	808.3
Maternal and child health programs ²	17.3	17.7	46.7	62.1	53.3	35.2	30.6	31.4	29.8	33.4	36.5	39.9	90.1
Medical research.....	2.4	2.6	2.6	2.5	3.5	25.6	47.0	60.8	69.2	79.6	99.4	102.1	113.5
School health (educational agencies).....	19.2	20.6	21.9	23.3	24.6	24.7	24.7	27.7	30.6	31.2	31.8	45.1	58.3
Other public health activities.....	154.6	177.4	163.4	178.0	230.3	260.0	287.5	325.1	350.8	370.7	462.1	391.6	363.9
Medical-facilities construction.....	93.8	211.2	123.7	92.4	63.8	57.7	84.6	211.5	360.8	455.8	494.0	453.8	437.5
Defense Department.....	58.2	174.5	82.0	38.9	.....	.....	.....	1.1	3.9	12.3	11.7	22.0	.....
Other.....	35.6	36.6	41.7	53.5	63.8	57.7	84.6	211.1	359.8	452.0	481.7	442.1	415.5
<i>Federal</i>													
Total health and medical programs.....	470.7	1,382.7	1,725.4	1,801.4	1,273.3	554.7	421.2	522.0	603.5	1,169.8	1,585.7	1,380.3	1,209.6
Hospital and medical care.....	367.9	1,152.9	1,558.3	1,660.8	1,165.8	440.1	289.6	356.9	382.6	883.9	1,177.8	1,038.2	875.4
Civilian programs.....	18.3	22.0	26.5	29.7	37.8	43.8	44.5	42.8	46.4	51.8	58.0	65.8	67.1
Defense Department ¹	349.6	1,130.9	1,531.8	1,631.1	1,128.0	396.2	245.1	314.1	336.2	832.0	1,119.8	972.4	808.3
Maternal and child health programs ²	10.4	11.0	40.0	55.2	46.4	27.0	21.5	21.1	20.1	22.6	24.7	27.0	24.1
Medical research.....	2.4	2.6	2.6	2.5	3.5	25.6	47.0	60.8	69.2	79.6	99.4	102.1	113.5
Other public health activities.....	31.7	41.0	42.4	44.0	57.3	59.9	58.9	64.1	63.8	59.9	128.9	76.2	69.0
Medical-facilities construction.....	58.3	175.2	82.2	38.9	3	2.2	4.1	19.0	67.8	123.8	155.0	136.8	127.5
Defense Department.....	58.2	174.5	82.0	38.9	3	2.2	4.1	18.6	66.8	120.0	142.7	125.1	105.5
Other.....	0.1	0.6	0.2	(3)	0.3	2.2	4.1	18.6	66.8	120.0	142.7	125.1	105.5
<i>State and local</i>													
Total health and medical programs.....	478.0	503.1	499.7	552.8	630.7	812.4	994.7	1,231.1	1,460.0	1,613.0	1,745.5	1,810.1	1,889.6
Hospital and medical care.....	293.4	303.4	308.5	335.1	362.8	523.8	651.8	739.6	839.7	928.2	1,029.7	1,119.7	1,160.3
Maternal and child health programs ²	6.9	6.7	6.7	6.8	6.8	8.2	9.0	10.3	9.7	10.7	11.9	13.0	66.0
School health (educational agencies).....	19.2	20.6	21.9	23.3	24.6	24.7	24.7	27.7	30.6	31.2	31.8	45.1	58.3
Other public health activities.....	123.0	136.4	121.1	134.0	173.0	200.2	228.7	261.0	287.0	310.9	333.2	315.4	295.0
Medical-facilities construction.....	35.5	36.0	41.5	53.5	63.5	55.5	80.5	192.5	293.0	332.0	339.0	317.0	310.0

See footnotes at end of table.

TABLE 3-1.—Health and medical programs: Summary of expenditures, fiscal years, 1929-66—Continued

[In millions]

Program	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
<i>Total</i>												
Total health and medical programs.....	\$3,103.1	\$3,307.1	\$3,775.8	\$4,090.9	\$4,400.6	\$4,463.8	\$4,927.0	\$5,229.8	\$5,593.5	\$6,003.5	\$6,418.5	\$7,161.0
Hospital and medical care.....	2,042.4	2,233.7	2,489.2	2,649.4	2,778.1	2,853.3	3,150.7	3,138.9	3,270.5	3,536.0	3,629.9	4,069.9
Civilian programs.....	1,297.6	1,471.2	1,675.5	1,760.7	1,844.6	1,973.2	2,226.0	2,132.8	2,274.6	2,446.3	2,514.8	2,720.3
Defense Department ¹	744.8	762.5	813.6	888.7	933.6	880.1	924.7	1,006.1	995.8	1,089.7	1,115.1	1,349.5
Maternal and child health programs ²	92.9	104.2	113.3	122.1	133.4	141.3	152.4	174.1	190.3	211.7	227.5	281.5
Medical research.....	132.8	154.0	226.0	278.0	350.1	448.9	576.1	780.5	920.3	1,042.5	1,165.6	1,305.9
School health (educational agencies).....	65.9	73.4	79.5	85.6	93.3	101.0	115.0	129.0	128.4	127.7	132.0	135.0
Other public health activities.....	383.7	369.6	435.0	394.5	454.1	401.2	426.6	478.1	531.5	548.7	671.5	723.8
Medical-facilities construction.....	385.4	372.2	432.7	561.2	591.5	518.1	506.2	529.2	552.6	536.9	592.0	645.0
Defense Department.....	33.0	61.7	58.7	85.6	77.4	40.0	44.0	24.0	23.0	42.9	34.8	28.6
Other.....	352.4	310.5	374.2	475.6	541.0	478.1	462.2	505.1	529.6	494.0	557.2	616.4
<i>Federal</i>												
Total health and medical programs.....	1,150.3	1,256.0	1,410.4	1,567.1	1,716.5	1,737.1	1,949.4	2,241.9	2,441.0	2,749.1	2,963.7	3,391.9
Hospital and medical care.....	811.5	841.1	894.3	977.2	1,027.3	983.5	1,036.1	1,120.0	1,115.4	1,220.4	1,253.1	1,495.8
Civilian programs.....	66.7	78.6	80.6	88.5	93.8	103.4	111.4	113.9	119.5	130.7	138.0	146.2
Defense Department ¹	744.8	762.5	813.6	888.7	933.6	880.1	924.7	1,006.1	995.8	1,089.7	1,115.1	1,349.5
Maternal and child health programs ²	23.7	27.7	31.0	32.9	33.3	35.3	39.4	50.1	51.6	59.5	74.1	113.4
Medical research.....	.2	.3	.4	.5	.5	.6	.6	.8	1.0	2.7	4.3	5.3
Other public health activities.....	132.8	154.0	216.0	265.0	333.1	425.9	546.1	743.5	875.3	992.5	1,110.6	1,244.9
Medical-facilities construction.....	65.0	99.0	117.3	71.8	71.2	57.3	75.6	84.1	135.2	184.8	222.9	228.8
Defense Department.....	117.4	134.2	151.7	220.2	251.5	235.1	252.2	244.2	263.6	291.9	303.0	309.0
Other.....	33.0	61.7	58.7	85.6	77.4	40.0	44.0	24.0	23.0	42.9	34.8	28.6
State and local												
Total health and medical programs.....	1,952.8	2,051.0	2,365.4	2,523.8	2,684.1	2,726.8	2,977.6	2,987.9	3,152.5	3,254.3	3,454.8	3,769.1
Hospital and medical care.....	1,230.9	1,392.6	1,594.9	1,672.2	1,750.8	1,869.8	2,114.6	2,018.9	2,155.1	2,315.6	2,376.8	2,574.1
Maternal and child health programs ²	69.2	76.5	82.2	89.2	100.1	106.1	113.0	124.0	138.7	152.2	153.4	168.1
Medical research.....	.....	10.0	13.0	17.0	23.0	30.0	37.0	45.0	50.0	55.0	61.0	
School health (educational agencies).....	65.9	73.4	79.5	85.6	93.3	101.0	115.0	129.0	128.4	127.7	132.0	135.0
Other public health activities.....	318.8	270.5	317.8	322.8	382.9	343.9	351.0	394.0	396.3	363.8	448.6	494.9
Medical-facilities construction.....	268.0	238.0	281.0	341.0	340.0	283.0	254.0	285.0	289.0	245.0	289.0	336.0

¹ Includes military dependents' program.² Less than \$50,000.

2 Includes service for crippled children and other programs for maternal and child health.

TABLE 3-2.—Hospital and medical care: Federal expenditures under civilian programs, fiscal years, 1929-66

[In thousands]

Program	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41
	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54
Total hospital and medical care.....	\$8,494	\$8,726	\$9,772	\$10,467	\$11,562	\$9,381	\$11,640	\$12,577	\$14,874	\$13,236	\$14,666	\$15,498	\$16,895
Public Health Service hospitals ¹	5,508	5,541	5,794	6,063	5,530	4,594	5,631	6,318	6,365	6,494	7,286	7,587	8,718
St. Elizabeths Hospital ²	948	902	1,058	1,086	649	872	1,099	1,009	1,153	1,125	1,109	1,135	1,197
Freedmen's Hospital ³	7	212	194	136	188	161	154	154	172	204	243	276	
Indian health activities ⁴	1,307	1,486	1,917	2,067	2,722	2,180	3,074	3,335	5,366	3,580	4,029	4,194	4,184
Care and custody of Alaskan insane ⁵	155	154	154	160	168	172	176	179	189	195	206	208	209
Panama Canal Zone ⁶	265	345	304	294	263	234	314	352	372	365	368	398	346
U.S. Soldiers' Home ⁷	271	263	252	235	232	238	203	210	220	204	204	212	205
Federal Prison System ⁸	47	330	1,827	874	747	786	819	866	987	1,225	1,417		
Tennessee Valley Authority ⁹.....	.....	.....	.....	.....	200	200	200	200	200	238	264	300	
Miscellaneous ¹⁰	33	35	34	38	35	29	35	34	36	35	32	43	
Net hospital and medical care.....	8,494	8,726	9,772	10,467	11,562	9,381	11,640	12,577	14,874	13,236	14,666	15,498	16,895
	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54
Total hospital and medical care.....	\$18,299	\$21,970	\$26,500	\$29,723	\$37,764	\$43,820	\$44,510	\$42,831	\$46,431	\$51,835	\$57,986	\$65,756	\$67,094
Public Health Service hospitals ¹	9,297	12,687	16,510	18,706	19,855	22,884	22,181	23,580	25,459	28,454	31,225	33,870	33,485
St. Elizabeths Hospital ²	1,434	1,517	1,996	2,425	3,246	1,669	1,656	1,476	1,950	1,833	2,144	2,460	2,487
Freedmen's Hospital ³	213	303	271	719	971	1,225	1,937	2,393	2,554	2,579	2,510	2,916	2,930
Indian health activities ⁴	4,247	3,213	4,436	4,544	5,746	7,900	7,803	8,510	9,430	11,741	13,039	15,575	18,279
Care and custody of Alaskan insane ⁵	210	210	277	288	304	362	432	480	460	476	524	533	763
Panama Canal Zone ⁶	423	1,144	1,201	2,283	1,664	2,065	2,546	2,662	2,323	2,267	3,035	3,021	3,085
U.S. Soldiers' Home ⁷	221	251	309	292	316	424	493	657	758	790	969	1,151	1,268
Federal Prison System ⁸	1,584	892	892	967	1,170	1,271	1,327	1,561	1,675	1,100	1,267	1,311	1,239
Tennessee Valley Authority ⁹	631	712	601	468	374	435	396	395	372	479	702	792	865
Employee health units ¹¹.....	.....	.....	.....	.....	381	266	397	309	259	309	297	268	
Immigration and Naturalization Service ¹².....	.....	.....	.....	.....	157	173	121	222	186	155	116	58	
Foreign Service ¹³	39	41	7	31	4,118	5,047	5,300	599	919	1,671	2,107	3,714	2,195
Net hospital and medical care.....	18,299	21,970	26,500	29,723	37,764	43,820	44,510	42,831	46,431	51,835	57,986	65,756	67,094
	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	
Total hospital and medical care.....	\$66,748	\$78,871	\$81,033	\$88,936	\$94,294	\$103,841	\$111,991	\$114,516	\$120,315	\$131,626	\$138,971	\$147,222	
Public Health Service hospitals ¹	32,506	35,111	35,369	40,312	42,670	48,171	51,546	48,334	50,025	52,362	54,481	57,293	
St. Elizabeths Hospital ²	2,215	2,742	2,765	3,142	3,144	3,711	4,743	4,650	5,540	8,631	9,309	10,023	
Freedmen's Hospital ³	2,826	3,338	2,607	2,971	3,142	3,108	3,416	3,493	3,740	4,174	3,929	4,359	
Indian health activities ⁴	20,113	28,121	30,477	32,637	33,974	36,116	38,910	43,321	45,142	47,740	49,920	52,902	
Care and custody of Alaskan insane ⁵	803	816	550	71	.....	.....	.....	.....	.....	.....	.....	.....
Panama Canal Zone ⁶	2,774	2,430	2,651	2,547	3,039	3,435	3,368	3,549	3,737	3,945	4,747	5,397	
U.S. Soldiers' Home ⁷	1,580	1,594	1,740	2,024	2,203	2,480	2,598	2,719	2,774	3,020	3,157	3,348	
Federal Prison System ⁸	1,277	1,471	1,543	1,748	1,920	2,068	2,336	2,455	2,577	2,768	2,873	2,957	
Tennessee Valley Authority ⁹	802	635	635	682	746	753	828	1,030	1,097	1,050	916	973	
Employee health units ¹¹	262	310	357	427	542	723	721	782	869	943	962	1,174	
Immigration and Naturalization Service ¹²	32	44	98	87	57	60	13	32	25	21	21	12	
Foreign Service ¹³	189	227	311	316	517	546	654	570	737	801	759	391	
General Services Administration ¹⁴	626	543	686	840	518	572	657	647	647	1,308	2,163	2,149	
Miscellaneous ¹⁰	1,369	1,406	1,387	1,286	1,500	2,152	2,286	2,924	3,405	4,863	5,734	6,244	
Less:													
Research ¹⁵	289	389	422	518	487	600	631	768	887	1,004	997		
Public Health Service hospitals.....	289	389	422	518	487	589	522	598	602	612	593		
St. Elizabeths Hospital.....	.....	.....	.....	.....	.....	11	109	170	285	392	404		
Net hospital and medical care.....	66,748	78,582	80,644	88,514	93,776	103,354	111,391	113,885	119,547	130,739	137,967	146,225	

¹ Refers to net Public Health Service hospital and medical care expenditures reported in Bureau of the Budget, *Budget of the United States Government*, as "Pay of personnel and maintenance of hospitals" before 1949 and "Hospitals and medical care," 1946 to date. For 1933-45 and 1948, also includes hospital and medical care obligations reported for drug addicts under Division of Mental Hygiene and mental health activities, and for 1934-49 such obligations reported under "Pay, etc., Commissioned Officers, Public Health Service." Excludes following items listed under "Hospitals and medical care": Development and coordination of nursing resources (1952-59); nurse training grants (1957-62); and dependents' medical care (PHS commissioned officers) (1957-62). Latter items reported elsewhere in the series.

² Refers to net expenditures for "Salaries and expenses" as reported in the *Budget* under St. Elizabeths Hospital.

³ Refers to expenditures for "Salaries and expenses" as reported in the *Budget* under Freedmen's Hospital.

⁴ For 1954 to date, refers to obligations reported in the *Budget* as "Hospital health services" and "Contract medical service" under Indian health activities, Public Health Service. For 1949-53, refers to obligations reported in the *Budget* as "Hospitals, disease-preventive, and curative services" under Bureau of Indian Affairs, Department of the Interior, reduced by 20 percent to account for field health services which are included elsewhere in the series. For 1929-48, refers to expenditures reported in the *Budget* as "Conservation of health among Indians" under Bureau of Indian Affairs, excluding obligations for field health services and general health programs. For 1933-48, includes expenditures for medical relief and conservation of health among natives in Alaska, reported separately in the *Budget*.

⁵ For 1951-58, represents obligations reported in the *Budget*. Before 1951, represents expenditures.

⁶ For 1943 to date, refers to obligations reported in the *Budget* for hospitals under Panama Canal Zone Government, less revenues. For 1929-42, hospital obligations estimated at two-thirds of total sanitation expenditures for Canal Zone. For 1929-42, 1944, and 1950-51, revenues estimated based on ratio that revenues bore to hospital obligations for years when data were available.

⁷ Published and unpublished annual reports of U.S. Soldiers' Home. Refers to total hospital expenditures, including payments to tuberculosis hospitals and St. Elizabeths Hospital.

⁸ For 1950 to date, refers to obligations reported in the *Budget* as medical services under Bureau of Prisons, Department of Justice. For 1945-49, refers to expenditures reported in the *Budget* as medical and hospital service for penal institutions under Federal Prison System and under Public Health Service. Before 1945, refers to expenditures for medical and hospital services reported for penal institutions under Department of Justice. Includes, for 1939-44, expenditures for Medical Center for Federal Prisoners and, for 1932-38, expenditures for U.S. Hospital for Defective Delinquents, reported separately.

⁹ Unpublished data provided by Tennessee Valley Authority for in-plant health services.

¹⁰ Includes care of lepers, Guam (1929-43), medical and hospital care under civilian war assistance (1944-48), health examinations under Displaced Persons Commission (1949-55), and hospital and medical care for trust islands and territories (1946 to date).

¹¹ Refers to operation of employee health units as reported in the *Budget* under Public Health Service obligations, as authorized by Public Law 658, 1946.

¹² Unpublished data from agency on reimbursements to Public Health Service hospitals and other hospitals for hospital and medical care of entrants to the U.S.

¹³ Medical and hospital care of Foreign Service personnel and their dependents as reported in U.S. Congress, House of Representatives, Hearings before a Sub-committee of the Committee on Appropriations, *Departments of State, Justice, Commerce, the Judiciary, and Related Agencies Appropriations* for 1967, Eighty-ninth Congress, Second Session, 1966, page 63, and earlier hearings.

¹⁴ Refers to General Services Administration expenditures for minor-project repairs, maintenance, and improvement for Public Health Service hospital facilities. Unpublished data from GSA and Department of Health, Education, and Welfare.

¹⁵ Expenditures for medical research subtracted here to the extent included elsewhere under separate category "Medical research." Data from Resources Analysis Branch, Office of Program Planning, National Institutes of Health.

TABLE 3-3.—Hospital and medical care: Federal expenditures under Department of Defense programs, fiscal years, 1929-66

[In thousands]

Fiscal year	Total military medical services					<i>Less:</i> Research	Net military medical services	
	Total	Army	Navy ¹	Air Force	Public Health Service (dependents) ²		Total	Military dependents' care
1928-29.....	\$29,157	\$8,706	\$20,451	.....	.....		\$29,157	.....
1929-30.....	28,974	9,324	19,650	.....	.....		28,974	.....
1930-31.....	28,956	8,984	19,972	.....	.....		28,956	.....
1931-32.....	30,297	8,686	21,611	.....	.....		30,297	.....
1932-33.....	27,959	9,678	18,281	.....	.....		27,959	.....
1933-34.....	26,888	8,788	18,100	.....	.....		26,888	.....
1934-35.....	27,713	8,414	19,299	.....	.....		27,713	.....
1935-36.....	29,665	9,126	20,539	.....	.....		29,665	.....
1936-37.....	31,748	10,065	21,683	.....	.....		31,748	.....
1937-38.....	33,553	10,808	22,745	.....	.....		33,553	.....
1938-39.....	34,906	10,970	23,936	.....	.....		34,906	.....
1939-40.....	45,397	15,825	29,572	.....	.....		45,397	.....
1940-41.....	157,827	106,843	50,984	.....	.....		157,827	.....
1941-42.....	349,590	222,243	127,347	.....	.....		349,590	.....
1942-43.....	1,130,935	834,464	296,471	.....	.....		1,130,935	.....
1943-44.....	1,531,782	922,274	609,508	.....	.....		1,531,782	.....
1944-45.....	1,631,071	994,390	636,681	.....	.....		1,631,071	.....
1945-46.....	1,128,044	833,592	294,453	.....	.....		1,128,044	.....
1946-47.....	404,356	262,260	142,096	.....	.....	\$8,114	396,242	.....
1947-48.....	252,999	137,086	115,913	.....	.....	7,874	245,125	.....
1948-49.....	322,302	168,581	153,721	.....	.....	8,203	314,099	.....
1949-50.....	345,015	160,399	127,156	\$57,460	.....	8,824	336,191	.....
1950-51.....	844,796	441,888	236,234	166,674	.....	12,778	832,018	.....
1951-52.....	1,136,792	596,331	288,380	252,081	.....	16,974	1,119,818	.....
1952-53.....	990,027	520,231	267,449	202,347	.....	17,589	972,438	.....
1953-54.....	824,818	429,150	225,970	169,698	.....	16,473	808,345	.....
1954-55.....	763,367	371,394	212,668	179,305	.....	18,581	744,786	.....
1955-56.....	782,461	362,972	219,170	200,319	.....	19,961	762,500	.....
1956-57.....	834,269	372,945	228,435	232,312	\$577	20,626	813,643	\$24,448
1957-58.....	912,799	389,487	244,618	276,922	1,772	24,085	888,714	89,520
1958-59.....	958,168	397,206	260,901	298,372	1,689	24,601	933,567	79,823
1959-60.....	908,122	366,417	251,578	288,708	1,419	27,984	880,138	60,050
1960-61.....	946,665	374,197	258,112	312,700	1,656	21,946	924,719	60,995
1961-62.....	1,050,331	439,077	278,576	330,823	1,855	44,212	1,006,119	73,219
1962-63.....	1,039,159	444,279	269,767	323,099	2,014	43,320	995,839	74,957
1963-64.....	1,136,527	514,825	289,446	330,239	2,017	46,869	1,089,658	75,413
1964-65.....	1,168,577	505,801	300,815	359,758	2,203	53,461	1,115,116	78,314
1965-66.....	1,416,998	669,372	358,514	386,869	2,243	67,465	1,349,533	76,166

¹Includes the Marine Corps.²Includes the Coast Guard and Environmental Science Services Administration.

Source: See text.

TABLE 3-4.—Hospital and medical care: State and local expenditures, fiscal years, 1929-66

[In thousands]

Fiscal year	Total State and local expenditures ¹	Less: Deductions					Net State and local expenditures	
		Total	Capital outlay ²	Revenues ³	Maternal and child health and crippled children's services ⁴	Vocational rehabilitation ⁴		
1928-29.....	\$307,000	\$198,400	\$99,500	\$98,900	.....	.....	\$108,600
1929-30.....	321,000	196,000	101,000	95,000	.....	.....	125,000
1930-31.....	335,000	194,600	103,500	91,100	.....	.....	140,400
1931-32.....	349,000	171,600	84,500	87,100	.....	.....	177,400
1932-33.....	329,000	136,100	55,000	81,100	.....	.....	192,900
1933-34.....	309,000	119,000	44,000	75,000	.....	.....	190,000
1934-35.....	330,000	116,300	41,500	74,800	.....	.....	213,700
1935-36.....	351,000	126,100	51,500	74,600	.....	.....	224,900
1936-37.....	376,000	145,000	66,500	78,500	.....	.....	231,000
1937-38.....	400,000	157,300	75,000	82,300	.....	.....	242,700
1938-39.....	425,000	184,400	100,500	83,900	.....	.....	240,600
1939-40.....	450,000	167,900	82,500	85,400	.....	.....	282,100
1940-41.....	441,000	142,800	43,500	99,300	.....	.....	298,200
1941-42.....	432,000	138,600	35,500	103,100	.....	.....	293,400
1942-43.....	450,000	146,600	36,000	110,600	.....	.....	303,400
1943-44.....	468,000	159,500	41,500	118,000	.....	.....	308,500
1944-45.....	518,000	182,900	53,500	129,400	.....	.....	335,100
1945-46.....	567,000	204,200	63,500	140,700	.....	.....	362,800
1946-47.....	752,000	228,200	55,500	172,700	.....	.....	523,800
1947-48.....	937,000	285,200	80,500	204,700	.....	.....	651,800
1948-49.....	1,160,000	420,400	192,500	227,900	.....	.....	739,600
1949-50.....	1,384,000	544,300	293,000	251,100	.....	\$200	839,700
1950-51.....	1,564,000	635,800	332,000	283,600	200	\$20,000	928,200
1951-52.....	1,745,000	715,300	375,000	316,000	300	24,000	1,029,700
1952-53.....	1,863,000	743,300	371,000	341,000	300	31,000	1,119,700
1953-54.....	1,962,000	801,700	380,000	385,000	\$1,400	300	35,000	1,160,300
1954-55.....	2,053,000	822,100	325,000	453,000	1,800	300	42,000	1,230,900
1955-56.....	2,316,000	923,400	294,000	526,000	2,100	300	101,000	1,392,600
1956-57.....	2,648,000	1,053,100	344,000	600,000	2,200	400	106,500	1,594,900
1957-58.....	3,005,000	1,332,800	442,000	769,000	2,400	400	119,000	1,672,200
1958-59.....	3,202,000	1,451,200	443,000	848,000	2,300	500	157,400	1,750,800
1959-60.....	3,235,000	1,365,200	393,000	883,000	2,400	500	86,300	1,869,800
1960-61.....	3,496,000	1,381,400	369,000	909,000	2,700	600	100,100	2,114,600
1961-62.....	3,673,000	1,654,100	395,000	1,082,000	3,100	700	173,300	2,018,900
1962-63.....	3,928,000	1,772,900	405,000	1,148,000	3,200	700	216,000	2,155,100
1963-64.....	4,171,000	1,855,400	405,000	1,206,000	3,500	800	240,100	2,315,600
1964-65.....	4,525,000	2,148,200	479,000	1,372,000	4,000	800	292,400	2,376,800
1965-66 ¹⁶	4,969,000	2,394,900	534,000	1,520,000	4,900	1,100	334,900	2,574,100

¹Item listed as "Hospitals" component in Department of Commerce, Bureau of the Census, *Historical Statistics on Governmental Finances and Employment, Census of Governments: 1962*, Vol. VI (Topical Studies), No. 4, pages 38-40. Data for 1930 and odd-numbered years from 1929-51 estimated by interpolation. Data for 1956-59 and 1963 to date from Bureau of the Census annual editions of *Governmental Finances* (earlier editions titled *Summary of Governmental Finances*).

²Data for 1952 to date from *Historical Statistics on Governmental Finances and Employment, Census of Governments: 1962*, Vol. VI (Topical Studies), No. 4, page 50, and annual editions of *Governmental Finances*. 97 percent of published figures for health and hospital capital outlays estimated attributable to hospitals. Data for 1929-51 from table 3-12.

³Data for 1952 to date from annual editions of *Governmental Finances*. Before 1952, hospital revenue estimated as 10 percent of all State and local revenue from fees and charges as reported in *Historical Statistics on Governmental Finances and Employment, Census of Governments: 1962*, Vol.

VI (Topical Studies), No. 4, pages 39-40 (no separate fees and charges for hospitals alone shown for these years). Data for 1930 and odd-numbered years from 1929-51 estimated by interpolation.

⁴10 percent of payments for hospital care as reported by the Children's Bureau and the Office of Vocational Rehabilitation estimated to be for care in State and local hospitals and deducted here since included elsewhere in components "Programs for maternal and child health" and "Vocational rehabilitation."

⁵50 percent of public assistance vendor payments for hospital care as reported by Bureau of Family Services estimated to be reported in Census totals for State and local hospitals (as payments made to hospitals administered by same governmental units) and deducted here since already included under component "Public assistance." For 1956-59, Census totals for State and local hospitals include all vendor payments for hospital care and the deduction for these years is 100 percent.

⁶Preliminary data.

TABLE 3-5.—Maternal and child health programs: Program and administrative expenditures, fiscal years, 1929–66

[In thousands]

Expenditures	1928-29	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44
<i>Total</i>											
Total maternal and child health programs ¹ .	\$6,219	\$6,900	\$2,500	\$9,947	\$11,629	\$12,976	\$13,790	\$16,029	\$17,297	\$17,691	\$46,673
Program.....	6,140	6,900	2,132	9,606	11,299	12,640	13,442	15,654	16,915	17,305	46,203
Administration.....	79	.....	368	341	330	336	348	375	382	386	470
<i>Federal</i>											
Total maternal and child health programs.	1,219	.....	1,541	5,511	6,422	7,145	7,775	9,514	10,386	11,018	39,963
Program:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Maternal and child health services.....	1,140	.....	782	3,073	3,496	3,736	4,244	5,338	6,019	6,827	35,662
Crippled children's services.....	.....	.....	391	2,097	2,596	3,073	3,183	3,801	3,985	3,805	3,831
Administration:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Maternal and child health.....	79	.....	247	203	189	184	199	219	230	248	425
Crippled children.....	.....	.....	121	138	141	152	149	156	152	138	45
<i>State and local</i>											
Total maternal and child health programs ¹ .	5,000	6,900	959	4,436	5,207	5,831	6,015	6,515	6,911	6,673	6,710
Maternal and child health services.....	1,200	1,400	576	2,339	2,611	2,758	3,119	3,594	3,904	3,827	3,887
Crippled children's services.....	3,800	5,500	383	2,097	2,596	3,073	2,896	2,921	3,007	2,846	2,823
	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55
<i>Total</i>											
Total maternal and child health programs ¹ .	\$862,079	\$53,277	\$35,174	\$30,557	\$31,353	\$29,810	\$33,376	\$36,544	\$39,938	\$90,149	\$92,935
Program.....	61,586	52,749	34,426	29,939	30,583	29,073	32,641	35,811	39,212	89,444	92,183
Medical research ².....	.....	.....	.....	.....	.....	.....	.....	129	132	121	211
Administration.....	493	528	748	618	770	737	735	733	726	705	752
<i>Federal</i>											
Total maternal and child health programs..	55,242	46,433	26,986	21,545	21,080	20,126	22,636	24,680	26,983	24,106	23,713
Program:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Maternal and child health services.....	50,683	41,851	19,699	13,319	11,951	11,638	12,729	13,226	13,592	12,319	12,140
Crippled children's services.....	4,066	4,054	6,539	7,608	8,359	7,751	9,172	10,721	12,665	11,082	10,821
Administration:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Maternal and child health.....	457	481	562	393	453	443	427	405	376	371	398
Crippled children.....	36	47	186	225	317	294	308	328	350	334	354
<i>State and local</i>											
Total maternal and child health programs ¹ .	6,837	6,844	8,188	9,012	10,273	9,684	10,740	11,864	12,955	66,043	69,222
Maternal and child health services.....	3,803	3,829	4,762	5,327	5,829	5,824	6,415	6,699	6,772	40,989	40,158
Crippled children's services.....	3,034	3,015	3,426	3,685	4,444	3,860	4,325	5,165	6,183	25,054	29,064
	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
<i>Total</i>											
Total maternal and child health programs ¹ .	\$104,208	\$113,280	\$122,146	\$133,428	\$141,304	\$152,396	\$174,129	\$190,298	\$211,679	\$227,495	\$281,514
Program.....	103,377	112,414	121,201	132,475	140,341	151,295	172,988	189,155	210,431	226,045	279,764
Medical research ²	317	379	495	505	563	577	779	1,016	2,684	4,320	5,320
Administration.....	831	866	945	953	963	1,101	1,141	1,143	1,248	1,450	1,750
<i>Federal</i>											
Total maternal and child health programs..	27,739	31,042	32,901	33,288	35,251	39,418	50,140	51,570	59,510	74,110	113,443
Program:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Maternal and child health services.....	11,979	14,973	16,644	16,966	16,937	18,343	24,407	25,115	28,553	34,098	43,751
Crippled children's services.....	14,929	15,203	15,312	15,369	17,351	19,974	24,592	25,312	29,111	34,084	44,558
Special projects for maternity and infant care.....	.....	.....	.....	.....	.....	.....	.....	.....	598	1,483	16,081
Research projects relating to maternal and child health and crippled children.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,995	1,920
Special projects for health of school children.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	5,383
Administration:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Maternal and child health.....	370	430	493	501	505	526	552	553	624	730	890
Crippled children.....	461	436	452	452	458	575	589	590	624	720	860
<i>State and local</i>											
Total maternal and child health programs ¹ .	76,469	82,238	89,245	100,140	106,053	112,978	123,989	138,728	152,169	153,385	168,071
Maternal and child health services.....	47,787	48,880	51,896	58,344	61,060	61,905	70,073	81,231	92,156	88,244	86,243
Crippled children's services.....	28,682	33,358	37,349	41,796	44,993	51,073	53,916	57,497	59,813	64,641	71,888
Special projects for maternity and infant care.....	.....	.....	.....	.....	.....	.....	.....	.....	200	500	7,676
Special projects for health of school children.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,264

¹ State and local administrative expenses not available separately.² National Institutes of Health. Federal expenditures only.

Source: Department of Health, Education, and Welfare, Welfare Administration, Children's Bureau, except where otherwise noted. Data not available for 1930-34.

TABLE 3-6.—Medical research expenditures, fiscal years, 1931–66

[In thousands]

Expenditures	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42
	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54
Total medical research.	\$260	\$1,611	\$878	\$288	\$293	\$508	\$1,418	\$1,735	\$2,031	\$2,550	\$2,545	\$2,444
Total Federal expenditures...	260	1,611	878	288	293	508	1,418	1,735	2,031	2,550	2,545	2,444
Public Health Service....	260	1,611	878	288	293	508	1,418	1,735	2,031	2,550	2,545	2,444
Net Federal expenditures....	260	1,611	878	288	293	508	1,418	1,735	2,031	2,550	2,545	2,444
Total medical research.	\$2,572	\$2,579	\$2,537	\$3,458	\$25,597	\$47,048	\$60,849	\$69,155	\$79,637	\$99,389	\$102,115	\$113,518
Total Federal expenditures...	2,572	2,579	2,537	3,458	26,990	49,681	65,120	72,874	84,616	103,390	107,339	118,982
Department of Health, Education, and Welfare ¹ ...					12,219	21,844	30,876	31,138	39,054	43,804	46,538	58,607
Public Health Service....	2,572	2,579	2,537	3,458	11,727	21,314	30,220	35,375	38,186	42,669	45,422	57,571
Defense and space objectives....					10,196	21,458	25,446	27,932	35,327	49,470	49,220	47,392
Other....					4,575	6,379	8,798	8,804	10,235	10,116	11,581	12,983
Less: Total deductions....					1,393	2,633	4,271	3,719	4,979	4,001	5,224	5,464
Maternal and child health....										132	129	121
Veterans Administration					1,393	2,633	4,271	3,719	4,979	3,872	5,092	5,343
Net Federal expenditures....	2,572	2,579	2,537	3,458	25,597	47,048	60,849	69,155	79,637	99,389	102,115	113,518
	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
Total medical research.	\$132,773	\$154,008	\$226,025	\$277,967	\$350,140	\$448,919	\$576,139	\$780,524	\$920,285	\$1,042,507	\$1,165,620	\$1,305,853
Total Federal expenditures...	138,887	162,018	228,900	279,151	351,206	448,169	573,881	782,092	918,999	1,048,661	1,174,208	1,318,722
Department of Health, Education, and Welfare ¹												
Public Health Service....	69,670	86,471	142,348	182,657	237,864	310,749	412,622	562,058	641,632	752,535	826,200	928,293
Defense and space objectives....	68,219	84,047	138,667	176,710	230,511	301,145	399,737	546,838	623,283	721,835	781,849	882,264
Other....	52,277	55,507	58,953	67,596	75,844	92,715	107,830	151,991	197,315	205,740	198,046	284,093
Less: Total deductions....	16,940	20,040	27,599	28,898	37,498	44,705	53,429	68,043	80,052	90,386	149,962	106,336
Maternal and child health....	6,114	8,010	12,875	14,184	18,066	22,250	27,742	38,568	43,714	56,154	64,588	73,869
Vocational rehabilitation....					211	317	379	495	505	563	577	779
Net Federal expenditures....	132,773	154,008	216,025	264,967	333,140	425,919	546,139	743,524	875,285	992,507	1,110,620	1,244,853
State and local expenditures....					10,000	13,000	17,000	23,000	30,000	37,000	45,000	50,000

¹ Before 1953, Federal Security Agency.

Source: For 1947 to date, data from National Institutes of Health, Office of Program Planning, Resources and Analysis Branch, *Resources for Medical Research*, Report No. 4, August 1963, pages 33-34; Report No. 5, October 1964, page 20; mimeographed

sheets dated February 1966 and February 1967, and unpublished data. Before 1947, data limited to those Public Health Service programs listed in Bureau of the Budget, *Budget of the United States Government*, which can be considered as primarily medical research—includes studies in rural sanitation (1931-36), National Institutes of Health (1933-46), and diseases and sanitation investigations (1933-44).

TABLE 3-7.—School health (educational agencies) : State and local expenditures, fiscal years, 1929–66

[In thousands]

Fiscal year	Total expenditures	Fiscal year	Total expenditures	Fiscal year	Total expenditures
1928-29.....	\$9,400	1941-42.....	\$19,236	1954-55.....	\$65,900
1929-30.....	9,678	1942-43.....	20,600	1955-56.....	73,435
		1943-44.....	21,923	1956-57.....	79,500
1930-31.....	10,100	1944-45.....	23,300	1957-58.....	85,574
1931-32.....	10,508			1958-59.....	93,300
1932-33.....	9,900	1945-46.....	24,617	1959-60.....	100,993
1933-34.....	9,271	1946-47.....	24,700		
1934-35.....	10,000	1947-48.....	24,748	1960-61.....	115,000
		1948-49.....	27,700	1961-62.....	129,007
1935-36.....	10,604	1949-50.....	30,599	1962-63.....	128,400
1936-37.....	12,100			1963-64.....	127,737
1937-38.....	13,478	1950-51.....	31,200	1964-65.....	132,000
1938-39.....	15,000	1951-52.....	31,791	1965-66.....	135,000
1939-40.....	16,400	1952-53.....	45,100		
1940-41.....	17,800	1953-54.....	58,269		

Source: Department of Health, Education, and Welfare, Office of Education, *Biennial Survey of Education, Statistics of State School Systems*. Before

1959, refers to continental U.S.; thereafter, includes Alaska and Hawaii.

TABLE 3-8.—Other public health activities: Federal expenditures, fiscal years, 1929-66

[In thousands]

Program	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41
Total Federal expenditures.....	\$6,913	\$7,320	\$7,571	\$8,047	\$6,593	\$5,877	\$6,578	\$9,664	\$15,849	\$17,234	\$18,997	\$22,660	\$25,543
Public Health Service.....	5,151	5,473	5,698	6,162	4,786	4,158	4,642	7,442	13,490	14,746	16,449	19,868	22,698
Disease prevention:													
Communicable diseases ¹	266	273	257	280	312	231	237	267	288	269	272	284	374
Control of venereal diseases.....	73	74	87	89	81	59	60	77	79	71	2,962	4,836	6,137
Foreign quarantine activities.....					439	364	528	390	316	281	296	276	1,187
Salaries and expenses, Offices of the Surgeon General ²	4,223	4,486	4,502	4,775	1,554	1,356	1,524	1,646	1,630	1,623	1,644	1,678	350
Indian health field services ³	589	640	852	1,018	828	751	736	964	1,147	1,263	1,289	1,345	1,360
Community health: Grants to States ⁴								2,386	7,819	8,267	8,006	9,439	10,773
Miscellaneous ⁵					1,572	1,397	1,557	1,712	2,211	2,347	1,980	2,010	2,517
Other agencies.....	1,762	1,847	1,873	1,885	1,807	1,719	1,936	2,222	2,359	2,488	2,548	2,792	2,845
Food and Drug Administration.....	1,537	1,554	1,615	1,635	1,583	1,520	1,669	1,922	2,043	2,178	2,235	2,453	2,550
Public health services, Canal Zone ⁶	225	293	258	250	224	199	267	300	316	310	313	339	295
Net Federal expenditures.....	6,913	7,320	7,571	8,047	6,593	5,877	6,578	9,664	15,849	17,234	18,997	22,660	25,543
	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54
Total Federal expenditures.....	\$31,654	\$41,043	\$42,352	\$43,951	\$57,306	\$63,746	\$63,811	\$70,477	\$72,194	\$68,094	\$137,741	\$85,045	\$78,063
Public Health Service.....	28,785	37,409	38,894	40,415	53,031	58,634	58,350	62,927	63,909	60,428	129,881	77,037	71,160
Disease prevention:													
Communicable diseases ¹	355	208	293	281	863	6,577	7,667	7,698	7,513	6,343	6,285	6,000	4,940
Control of venereal diseases.....	8,394	11,471	12,551	12,136	16,735	17,192	16,802	17,430	15,658	12,767	11,378	9,914	5,101
Foreign quarantine activities.....	1,232	1,217	1,344	1,311	1,654	2,226	2,324	2,820	3,212	2,967	2,989	3,066	2,909
Control of tuberculosis.....				1,554	6,042	8,177	7,867	8,890	9,570	9,363	8,801	8,079	6,123
Salaries and expenses, Offices of the Surgeon General ²	389	589	741	721	1,279	3,096	3,371	4,395	4,558	2,940	2,927	3,354	2,661
Indian health field services ³	1,463	1,432	1,482	1,278	1,127	1,057	844	2,127	2,357	2,935	3,260	3,894	2,332
Indian health administration ⁷													838
Community health:													
Grants to States ⁴	11,390	10,573	11,062	11,016	11,353	15,277	14,126	13,919	16,831	15,972	16,019	16,152	13,591
Dental services ⁸								70	125	124	122	110	
Nursing services ⁹										93	92	89	
Environmental control:													
Industrial hygiene and injury control.....						135	10			3,199	3,848	3,780	
Water pollution ¹⁰									2,099	1,085	931	20	3,215
Emergency health activities ¹¹										709	71,343	21,332	28,183
Miscellaneous ⁵	5,562	11,919	11,421	12,118	13,852	5,022	5,349	5,648	2,041	2,023	1,883	1,232	1,068
Other agencies.....	2,869	3,634	3,458	3,535	4,275	5,112	5,461	7,550	8,285	7,666	7,860	8,008	6,903
Food and Drug Administration.....	2,335	2,474	2,845	2,965	3,484	4,317	4,596	5,289	5,706	6,026	6,592	6,877	6,243
Public health services, Canal Zone ⁶	534	1,160	613	571	791	795	865	2,261	2,579	1,640	1,268	1,131	660
Less: Research ¹²						3,882	4,936	6,364	8,444	8,216	8,861	8,862	9,082
Net Federal expenditures.....	31,654	41,043	42,352	43,951	57,306	59,864	58,875	64,113	63,750	59,878	128,880	76,183	68,981

See footnotes at end of table.

TABLE 3-8.—Other public health activities: Federal expenditures, fiscal years, 1929-66—Continued

[In thousands]

Program	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
Total Federal expenditures	\$74,020	\$111,113	\$131,430	\$89,552	\$91,778	\$93,944	\$118,597	\$158,341	\$222,382	\$289,999	\$323,636	\$363,113
Public Health Service.	67,221	103,304	122,874	78,978	78,835	79,392	98,789	135,429	190,986	249,379	280,747	315,364
Disease prevention:												
Communicable diseases ¹	4,427	5,546	5,677	6,828	7,004	7,775	14,296	10,203	10,750	19,365	28,106	38,304
Control of venereal diseases	3,011	3,628	4,142	4,236	5,395	5,291	298	5,575	7,844	8,873	10,363	10,113
Foreign quarantine activities	2,892	3,179	3,222	3,772	4,488	4,568	4,977	5,238	6,317	6,596	6,919	7,392
Control of tuberculosis	6,028	6,021	6,378	6,935	6,689	6,421	6,424	6,285	6,819	6,635	9,464	12,638
Salaries and expenses, Office of the Surgeon General ²	2,714	3,112	3,704	5,060	5,683	5,691	7,038	5,762	5,741	6,412	5,863	6,389
Indian health field services ³	3,185	4,594	5,919	6,879	7,292	8,088	8,803	9,510	9,908	10,654	11,726	12,878
Indian health administration ⁷	1,252	2,115	2,076	1,094	1,301	1,396	1,375	1,417	1,524	1,753	1,814	1,873
Community health:												
Grants to States ⁴	12,882	17,408	16,024	20,048	21,085	24,060	25,608	21,415	23,947	26,755	25,492	33,633
Dental services ⁵	112	115	285	306	314			1,854	2,603	4,564	6,081	7,095
Nursing services ⁶	91	259	302	345	434			6,583	8,374	9,889	13,967	13,180
Chronic diseases								6,928	16,303	39,268	51,359	53,943
Regional medical programs												305
Environmental control:												
Industrial hygiene and injury control								2,225	3,679	3,824	3,839	3,931
Water pollution ¹⁰								14,993	22,551	27,905	31,135	34,991
Air pollution								6,355	10,101	12,748	16,312	20,859
Community sanitation ¹³	3,306	4,912	844	12,018	13,250	14,657	23,435	9,097	9,649	12,211	12,821	8,790
Occupational health								2,831	4,059	4,976	4,326	4,950
Radiological health								7,405	13,438	17,153	18,679	18,567
National health statistics								4,001	5,056	5,606	5,896	6,214
National Library of Medicine								1,717	2,347	4,112	3,953	4,237
Emergency health activities ¹¹	26,205	28,628	42,243	7,599	2,590	1,145	4,893	6,036	19,998	20,080	12,631	15,082
Miscellaneous ⁵	1,116	23,787	31,211	2,484	1,723	-1,261	-28	-1	-22			
Other agencies	6,799	7,809	8,556	10,574	12,943	14,552	19,808	22,912	31,396	40,620	42,889	47,749
Food and Drug Administration	6,138	7,188	7,962	9,814	12,165	13,687	18,737	21,487	29,227	38,275	40,649	45,171
Public health services, Canal Zone ⁶	661	621	594	760	778	865	985	969	1,038	1,167	1,251	1,333
Cuban refugee program ¹⁴								86	456	1,131	1,178	989
Less: Research ¹²	9,062	12,083	14,156	17,780	20,537	22,471	27,306	56,425	60,995	76,361	73,500	102,884
Training ¹⁵						14,195	15,737	17,846	26,167	28,806	27,242	31,392
Net Federal expenditures	64,958	99,030	117,274	71,772	71,227	57,278	75,554	84,070	135,220	184,832	222,894	228,837

¹ Before 1946, includes expenditures listed in the *Budget* as "Interstate quarantine service" and "Preventing the spread of epidemic diseases."

² Before 1952, includes a variety of items listed separately in the *Budget* under such components as office of international relations, vital statistics, pay of acting assistant surgeons, pay of other employees, and miscellaneous expenses.

³ Before 1955, administered by Department of the Interior. For 1949-53, estimated as 20 percent of component listed as "Hospital, disease-preventive, and curative services" under Bureau of Indian Affairs.

⁴ Mainly grants to States for general health, under program originating with Social Security Act of 1935. For various years before 1962, includes expenditures for industrial hygiene, accident prevention, vital statistics, dental and nursing services and resources, chronic diseases, occupational health, and international activities. For 1957-59, excludes separable training obligations. Excludes construction obligations for mental retardation in 1966.

⁵ Includes pay for commissioned officers, 1933-53; control of biologic products, 1933-40 and 1942; emergency health relief, 1937-38; national defense health expenditures, 1941-48; public health services, Philippine Islands, 1946-48; control of tropical diseases, 1946-48; grants and special studies, Alaska, 1949-61; and grants to States for poliomyelitis vaccination, 1956-63.

⁶ For 1949 to date, refers to obligations listed in the *Budget* as "Other public health activities" under Canal Zone Government. For 1943-48, computed by deducting net hospital obligations from total net obligations listed under "Sanitation." For 1929-42, estimated as one-third of expenditure component "Sanitation," under Canal Zone Government.

⁷ Data not available for years administered by Department of the Interior.

⁸ Data for 1950-59 listed in the *Budget* as obligation component "Coordination and development of dental resources" under "Dental health activities." For earlier years, not separable from salaries and expenses, Office of the Surgeon General.

⁹ Data for 1952-59 listed in the *Budget* as obligation component "Development and coordination of nursing resources" under "Hospital and medical care." For earlier years, not separable from salaries and expenses, Office of the Surgeon General.

¹⁰ Since 1965, administered by Department of the Interior.

¹¹ Before 1962, refers to expenditures of Office of Civil and Defense Mobilization and predecessor agencies for stockpiling of medical supplies and equipment and related activities.

¹² Expenditures for medical research under the following programs (subtracted here to the extent included elsewhere under separate category "Medical research"): Food and Drug Administration, national health statistics, National Library of Medicine, Public Health Service community health and environmental health activities, and expenditures by the Division of Public Health Methods, Public Health Service.

¹³ For 1962-66, includes component "Environmental health activities." For 1964-65, includes component "Environmental health sciences." For 1966, includes component "Urban and industrial health."

¹⁴ Refers to obligations listed in the *Budget Appendix* as "Health services" under "Assistance to refugees in the United States." Data for early years from Welfare Administration, Department of Health, Education, and Welfare.

¹⁵ Expenditures for training grants, fellowships, and research traineeships and fellowships under the following programs (subtracted here to the extent included elsewhere under separate category "Education"): Air pollution, chronic diseases, dental services, nursing services, radiological health, National Library of Medicine, water pollution, and other Public Health Service community health and environmental control activities.

Source: Bureau of the Budget, *Budget of the United States Government* and *Budget Appendix*. Expenditures for training, where identifiable, are deducted from individual items before 1960.

TABLE 3-9.—Other public health activities: State and local expenditures, fiscal years, 1929–66

[In thousands]

Fiscal year	Total State and local expenditures ¹	Less: Deductions					Net State and local expenditures
		Total	Federal grants ²	Maternal and child health and crippled children's services ³	Public assistance vendor payments (other than hospital) ⁴	Capital outlay ⁵	
1928-29.....	\$88,000	\$6,140	.....	\$6,140	.....	.....	\$81,860
1929-30.....	95,000	.....	.....	.....	.....	.....	95,000
1930-31.....	101,000	.....	.....	.....	.....	.....	101,000
1931-32.....	107,000	.....	.....	.....	.....	.....	107,000
1932-33.....	108,000	.....	.....	.....	.....	.....	108,000
1933-34.....	109,000	.....	.....	.....	.....	.....	109,000
1934-35.....	112,500	6,900	.....	6,900	.....	.....	105,600
1935-36.....	116,000	4,632	\$2,500	2,132	.....	.....	111,368
1936-37.....	133,500	17,206	7,600	9,606	.....	.....	116,294
1937-38.....	151,000	20,499	9,200	11,299	.....	.....	130,501
1938-39.....	155,000	20,740	8,100	12,640	.....	.....	134,260
1939-40.....	159,000	27,142	13,700	13,442	.....	.....	131,858
1940-41.....	159,000	32,154	16,500	15,654	.....	.....	126,846
1941-42.....	159,000	36,015	19,100	16,915	.....	.....	122,985
1942-43.....	173,500	37,105	19,800	17,305	.....	.....	136,395
1943-44.....	188,000	66,903	20,700	46,203	.....	.....	121,097
1944-45.....	219,500	85,486	23,900	61,586	.....	.....	134,014
1945-46.....	251,000	78,049	25,300	52,749	.....	.....	172,951
1946-47.....	271,500	71,326	36,900	34,426	.....	.....	200,174
1947-48.....	292,000	63,339	33,400	29,939	.....	.....	228,661
1948-49.....	328,000	66,983	36,400	30,583	.....	.....	261,017
1949-50.....	364,000	76,973	47,900	29,073	.....	.....	287,027
1950-51.....	402,000	91,141	43,500	32,641	\$15,000	.....	310,859
1951-52.....	440,000	106,811	41,000	35,811	18,000	\$12,000	333,189
1952-53.....	427,000	111,612	38,400	39,212	23,000	11,000	315,388
1953-54.....	447,000	152,043	48,000	66,043	26,000	12,000	294,957
1954-55.....	471,000	152,222	41,000	69,222	32,000	10,000	318,778
1955-56.....	456,000	185,469	62,000	76,469	38,000	9,000	270,531
1956-57.....	538,000	220,238	79,000	82,238	38,000	11,000	317,762
1957-58.....	546,000	223,245	62,000	89,245	45,000	14,000	322,755
1958-59.....	639,000	256,140	68,000	100,140	57,000	14,000	382,860
1959-60.....	559,000	215,053	74,000	106,053	.....	12,000	343,947
1960-61.....	590,000	238,978	85,000	112,978	.....	11,000	351,022
1961-62.....	669,000	274,989	102,000	123,989	.....	12,000	394,011
1962-63.....	710,000	313,728	117,000	138,728	.....	13,000	45,000
1963-64.....	739,000	375,169	160,000	152,169	.....	13,000	50,000
1964-65.....	836,000	387,385	164,000	153,385	.....	15,000	55,000
1965-66 ⁷	941,000	446,071	201,000	168,071	.....	16,000	61,000

¹ Item listed as "Health" component in Department of Commerce, Bureau of the Census, *Historical Statistics on Governmental Finances and Employment, Census of Governments: 1962*, Vol. VI (Topical Studies), No. 4, pages 38-40. Data for 1930 and odd-numbered years from 1929-51 estimated by interpolation. Data for 1957-59 and 1963 to date taken from Bureau of the Census annual editions of *Governmental Finances* (earlier editions titled *Summary of Governmental Finances*).

² For 1954 to date, represents Federal intergovernmental expenditures for public health programs as shown in Census annual editions of *Governmental Finances* (table entitled "Detail of Federal expenditures for selected categories"). Before 1954, represents Federal grants-in-aid for health services, as published in annual editions of Department of Health, Education, and Welfare, *Health, Education, and Welfare Trends* and in *Annual Statistical Supplement to the Social Security Bulletin*, after deducting Federal grants for maternal and child health and crippled children's programs and for hospital construction. For 1943-48, deductions for grants for maternal and child health and crippled children's programs taken from table 3-5 so as to reflect the additional funds expended for emergency maternal and infant care.

³ For 1954 to date, represents State and local program expenditures for maternal and child health and crippled children's services from table 3-5 (the Federal portion is already included in the Federal intergovernmental expenditure figure cited in footnote 2). Before 1954, represents total Federal

and State and local program expenditures for maternal and child health and crippled children's services as shown in table 3-5.

⁴ Before 1960, Census totals on State and local health expenditures include vendor payments to physicians and others for medical supplies and services for public assistance beneficiaries. For 1957-59, difference between revised series as appearing in the *Historical Statistics on Governmental Finances and Employment* (which excludes vendor payments) and original series appearing in annual editions of *Governmental Finances* (which includes vendor payments) is attributed to vendor payments and listed here as a deductible item. (All public assistance payments are included elsewhere in social welfare expenditure series.) Before 1957, vendor payments for physicians' services are estimated at the same proportion that they bear to total vendor medical payments for 1957-59—about 15 percent.

⁵ Data for 1952 to date from *Historical Statistics on Governmental Finances and Employment, Census of Governments: 1962*, Vol. VI (Topical Studies), No. 4, page 50, and annual editions of *Governmental Finances*. 3 percent of published figures for health and hospital capital outlays estimated attributable to health activities. No data prior to 1952.

⁶ Department of Health, Education, and Welfare, National Institutes of Health, Office of Program Planning, Resources Analysis Branch (from table 3-6).

⁷ Preliminary data.

TABLE 3-10.—Medical-facilities construction: Federal expenditures under Department of Defense programs, fiscal years, 1941-66

[In thousands]

Fiscal year	Total construction expenditures	Army	Navy	Air Force	Fiscal year	Total construction expenditures	Army	Navy	Air Force
1940-41.....	\$18,635	\$12,137	\$6,498	.	1953-54.....	\$22,040	\$5,528	\$7,443	\$9,069
1941-42.....	58,184	21,540	36,644	.	1954-55.....	32,993	14,657	5,887	12,449
1942-43.....	174,538	103,141	71,397	.	1955-56.....	61,708	10,661	7,605	43,442
1943-44.....	82,038	47,512	34,526	.	1956-57.....	58,680	21,959	4,203	32,518
1944-45.....	38,911	11,992	26,919	.	1957-58.....	85,609	32,645	8,365	44,599
1945-46.....	.	.	.	.	1958-59.....	77,441	21,707	14,812	40,922
1946-47.....	.	.	.	.	1959-60.....	40,047	21,639	9,395	9,013
1947-48.....	.	.	.	.	1960-61.....	44,002	17,867	3,884	22,251
1948-49.....	381	.	381	.	1961-62.....	24,031	14,342	4,223	5,466
1949-50.....	1,061	.	1,061	.	1962-63.....	22,951	11,849	659	10,443
1950-51.....	3,866	2,701	1,165	.	1963-64.....	42,882	20,756	2,519	19,607
1951-52.....	12,267	8,487	1,893	\$1,887	1964-65.....	34,842	12,232	2,310	20,300
1952-53.....	11,656	4,275	3,178	4,203	1965-66.....	28,632	14,231	6,574	7,827

Source: See text.

TABLE 3-11.—Other medical-facilities construction: Federal expenditures, fiscal years, 1929–66

[In thousands]

Program	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41
Total medical-facilities construction	\$920	\$2,395	\$4,215	\$4,719	\$4,758	\$5,554	\$3,275	\$584	\$333	\$466	\$1,247	\$2,736	\$549
St. Elizabeths Hospital.....	40	628	298	427	737	593	508	335	129	254	345	404	287
Public Health Service:													
Buildings and facilities: ¹													
Marine hospitals ²	814	1,173	2,825	2,558	2,675	1,296	732	185	12	9	11		
Quarantine and inspection stations ²	66	79	477	679	690	440	79	16	11			2,316	262
Narcotic farms.....			243	161	410	1,418	1,344						
Other ³					243	1,619	609	45	13		850		
Indian health facilities ⁴		515	372	825		86			168	203	41	16	
Miscellaneous ⁵				69	3	102	3	3					
	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54
Total medical-facilities construction	\$111	\$649	\$183	\$3	\$338	\$2,171	\$4,130	\$18,608	\$66,757	\$119,972	\$142,715	\$125,149	\$105,476
St. Elizabeths Hospital.....	69	649	183	3	96	96	50	1,516	3,285	1,654	806	947	3,485
Public Health Service:													
Buildings and facilities ¹	42							15	115	106	2,530	1,134	307
Construction of health and research facilities ⁶					242	192	453	4,088	5,218	10,100	13,695	12,406	9,192
Hospital construction.....						785	112	10,098	55,658	106,766	124,079	108,910	89,919
Administration and services, hospital construction.....						57	710	1,295	1,223	1,209	1,225	1,247	899
State surveys, hospital construction.....							936	195	110	108	63	87	11
General Services Administration:													
Hospital facilities, D.C.							48	32	3	15	13	191	1,658
Miscellaneous ⁵						1,041	1,821	1,369	1,145	14	304	227	5
	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	
Total medical-facilities construction	\$84,372	\$72,457	\$93,153	\$134,627	\$174,031	\$195,069	\$208,163	\$220,141	\$240,603	\$249,017	\$268,178	\$280,371	
St. Elizabeths Hospital.....	1,622	1,553	2,635	4,667	1,487	486	492	2,896	1,920	742	720	1,160	
Public Health Service:													
Buildings and facilities ¹	19	649	988	810	2,629	8,350	10,497	5,296	2,224	6,421	16,519	17,194	
Indian health facilities ⁴		844	1,613	1,293	4,327	9,295	9,757	8,576	7,281	5,486	9,165	9,192	
Construction of health and research facilities ⁶	4,083	2,186	4,966	12,785	23,200	25,696	21,963	30,897	36,244	37,828	34,312	25,955	
Hospital construction.....	72,992	55,536	72,678	106,465	136,329	144,607	158,185	167,200	189,117	194,482	202,750	200,382	
Administration and services, hospital construction.....	1,017	1,311	1,315	1,460	1,665	1,583	1,693	120	5				
State surveys, hospital construction.....		147	284	395	124	-14	-12	356	2,457	3,203	381	367	70
Mental health facilities ⁷								115	1,444	1,444	695	681	23,162
Cancer research facilities.....													757
General Services Administration:													
Hospital facilities, D.C.	4,492	9,090	7,377	6,236	3,579	3,113	1,290	331	75	915	1,877	690	
Public Health Service hospitals ⁸		1,004	1,186	786	829	1,595	1,829	1,507	1,912	2,081	1,316	522	
Miscellaneous ⁵											768	1,357	

¹ For some years, combines a variety of items listed separately in Bureau of the Budget, *Budget of the United States Government*, such as construction of housing facilities for animals, of library facilities, of surgical facilities, of biologies standards laboratory building, of dental research building, and of general office buildings.

² Data from *Annual Report of the Secretary of the Treasury on the State of the Finances*.

³ Includes construction of National Institutes of Health building (1933-36) and emergency building construction.

⁴ Before 1955, administered by the Department of the Interior.

⁵ Includes items listed in the *Budget* as laboratory, Hamilton, Montana (1932-36), Philippine rehabilitation (1947-51), defense production activities (1952-54), and George Washington Hospital construction (1965-66).

⁶ Items listed in the *Budget* include construction of health-research facilities, grants for construction of research facilities, development of health facilities, and community mental health resource support (1966).

⁷ Includes mental health-neurology research facility (1961-66), mental health facilities in Alaska (1960-65), and mental retardation construction program obligations (1966).

⁸ Refers to General Services Administration expenditures for major-project improvements for Public Health Service facilities. Unpublished data from GSA and Department of Health, Education, and Welfare.

TABLE 3-12.—Medical-facilities construction: State and local expenditures, fiscal years, 1929–66

[In thousands]

Calendar year	Gross construction expenditures ¹	Less: Deductions			Net State and local construction expenditures	Fiscal year	Total State and local construction expenditures ⁴	Less: Federal grants ⁵	Net State and local construction expenditures ⁶
		Total	Direct Federal construction ²	Hill-Burton Federal share ³					
1928.....	\$108,000	\$3,000	\$3,000	.....	\$105,000	1928-29.....	.....	.....	.....
1929.....	101,000	7,000	7,000	.....	94,000	1929-30.....	.....	.....	\$99,500
1930.....	118,000	10,000	10,000	.....	108,000	1929-30.....	.....	.....	101,000
1931.....	110,000	11,000	11,000	.....	99,000	1930-31.....	.....	.....	103,500
1932.....	83,000	13,000	13,000	.....	70,000	1931-32.....	.....	.....	84,500
1933.....	49,000	9,000	9,000	.....	40,000	1932-33.....	.....	.....	55,000
1934.....	51,000	3,000	3,000	.....	48,000	1933-34.....	.....	.....	44,000
1935.....	38,000	3,000	3,000	.....	35,000	1934-35.....	.....	.....	41,500
1936.....	74,000	6,000	6,000	.....	68,000	1935-36.....	.....	.....	51,500
1937.....	73,000	8,000	8,000	.....	65,000	1936-37.....	.....	.....	66,500
1938.....	97,000	12,000	12,000	.....	85,000	1937-38.....	.....	.....	75,000
1939.....	127,000	11,000	11,000	.....	116,000	1938-39.....	.....	.....	100,500
1940.....	54,000	5,000	5,000	.....	49,000	1939-40.....	.....	.....	82,500
1941.....	42,000	4,000	4,000	.....	38,000	1940-41.....	.....	.....	43,500
1942.....	35,000	2,000	2,000	.....	33,000	1941-42.....	.....	.....	35,500
1943.....	44,000	5,000	5,000	.....	39,000	1942-43.....	.....	.....	36,000
1944.....	58,000	14,000	14,000	.....	44,000	1943-44.....	.....	.....	41,500
1945.....	85,000	22,000	22,000	.....	63,000	1944-45.....	.....	.....	53,500
1946.....	85,000	21,000	21,000	.....	64,000	1945-46.....	.....	.....	63,500
1947.....	77,000	30,000	30,000	.....	47,000	1946-47.....	.....	.....	55,500
1948.....	213,000	99,000	98,000	\$1,000	114,000	1947-48.....	.....	.....	80,500
1949.....	458,000	187,000	169,000	18,000	271,000	1948-49.....	.....	.....	192,500
1950.....	499,000	184,000	146,000	38,000	315,000	1949-50.....	.....	.....	293,000
1951.....	527,000	178,000	132,000	46,000	349,000	1950-51.....	.....	.....	332,000
						1951-52.....	\$381,000	\$42,000	339,000
						1952-53.....	352,000	35,000	317,000
						1953-54.....	354,000	44,000	310,000
						1954-55.....	298,000	30,000	268,000
						1955-56.....	262,000	24,000	238,000
						1956-57.....	311,000	30,000	281,000
						1957-58.....	386,000	45,000	341,000
						1958-59.....	391,000	51,000	340,000
						1959-60.....	343,000	60,000	283,000
						1960-61.....	320,000	66,000	254,000
						1961-62.....	348,000	63,000	285,000
						1962-63.....	354,000	65,000	289,000
						1963-64.....	361,000	116,000	245,000
						1964-65.....	415,000	126,000	289,000
						1965-66.....	456,000	120,000	336,000

¹ Refers to hospital and institutional public construction, value put in place. Department of Commerce and Department of Labor, *Construction Volume and Costs, 1915-1966*, table 3, page 7, and Department of Commerce, Bureau of the Census, *Value of New Construction Put in Place, 1946-1963 Revised*, table 1, page 6.

² From Department of Health, Education, and Welfare, *Health, Education, and Welfare Trends, 1961*, page 32. Data interpolated for earlier years.

³ Refers to Federal grants under Hill-Burton program for publicly owned projects. Estimated by applying ratio of 44 percent to total Hill-Burton appropriations for public and private projects as shown in *ibid*. Ratio of 44 percent estimated from Department of Health, Education, and Welfare, Public Health Service, Division of Hospital and Medical Facilities, *Facts*

About the Hill-Burton Program, July 1, 1947-December 31, 1963, page 3.

⁴ Refers to health and hospital construction. Data for 1952-61 from Bureau of the Census, *Historical Statistics on Governmental Finances and Employment, Census of Governments: 1962*, Vol. VI (Topical Studies), No. 4, page 51. After 1961, data from Bureau of the Census annual editions of *Governmental Finances*.

⁵ Refers to Federal grants for hospital construction from the Bureau of the Census annual editions of *Governmental Finances* (table entitled "Detail of Federal expenditures for selected categories"). Estimated for 1952 and 1953 from sources cited in footnote 3, after converting calendar-year data to fiscal-year data.

⁶ For 1929-51, represents average of the calendar-year data as shown in column 5.

TABLE 3-13.—Health and medical care: All expenditures under public programs, fiscal years, 1929-66

[In thousands. Combines "Health and medical programs" with medical services provided in connection with social insurance, public aid, veterans', vocational rehabilitation, and antipoverty programs]

Program	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
<i>Total</i>										
Total health and medical care ¹	\$477,122	\$512,591	\$549,205	\$580,576	\$545,696	\$497,653	\$543,220	\$582,332	\$637,646	\$684,480
Health and medical services.....	372,458	400,555	431,690	476,170	470,943	444,540	495,149	526,702	560,031	597,532
Workmen's compensation (medical benefits) ²	75,000	75,000	75,000	68,000	58,000	55,000	65,000	73,000	75,000	80,000
General hospital and medical care.....	117,094	133,726	150,172	187,867	204,462	199,381	225,340	237,477	245,874	255,936
Defense Department hospital and medical care.....	29,157	28,974	28,956	30,297	27,959	26,888	27,713	29,665	31,748	33,553
Maternal and child health services.....	6,219	.....	.....	.....	.....	.....	6,900	2,500	9,947	11,629
School health (educational agencies).....	9,400	9,678	10,100	10,508	9,900	9,271	10,000	10,604	12,100	13,478
Other public health activities.....	88,773	102,320	108,571	115,047	114,593	114,877	112,178	121,032	132,143	147,735
Veterans' hospital and medical care.....	46,703	50,729	58,737	64,255	55,826	38,894	47,771	52,088	52,768	54,824
Medical vocational rehabilitation.....	112	128	154	196	203	229	247	336	451	377
Medical research.....	.....	.....	260	1,611	878	288	293	508	1,418	1,735
Medical-facilities construction.....	104,664	112,036	117,255	102,795	73,875	52,825	47,778	55,122	76,197	85,213
Defense Department.....	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Veterans Administration.....	4,244	8,641	9,540	13,576	14,117	3,271	3,003	3,038	9,364	9,747
Other.....	100,420	103,395	107,715	89,219	59,758	49,554	44,775	52,084	66,833	75,466
<i>Federal</i>										
Total health and medical care.....	98,271	107,470	119,839	133,727	122,419	91,231	103,375	111,597	136,444	140,352
Health and medical services.....	93,107	96,434	105,824	113,821	102,666	82,119	96,804	107,467	125,329	128,404
Workmen's compensation (medical benefits) ²	570	628	718	665	633	979	2,988	1,774	4,372	2,961
General hospital and medical care.....	8,494	8,726	9,772	10,467	11,562	9,381	11,640	12,577	14,874	13,236
Defense Department hospital and medical care.....	29,157	28,974	28,956	30,297	27,959	26,888	27,713	29,665	31,748	33,553
Maternal and child health services.....	1,219	.....	.....	.....	.....	.....	.....	1,541	5,511	6,422
Other public health activities.....	6,913	7,320	7,571	8,017	6,593	5,877	6,578	9,664	15,849	17,234
Veterans' hospital and medical care.....	46,703	50,729	58,737	64,255	55,826	38,894	47,771	52,088	52,768	54,824
Medical vocational rehabilitation.....	51	57	70	90	93	100	114	158	207	174
Medical research.....	.....	.....	260	1,611	878	288	293	508	1,418	1,735
Medical-facilities construction.....	5,164	11,036	13,755	18,295	18,875	8,825	6,278	3,622	9,697	10,213
Defense Department.....	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Veterans Administration.....	4,244	8,641	9,540	13,576	14,117	3,271	3,003	3,038	9,364	9,747
Other.....	920	2,395	4,215	4,719	4,758	5,554	3,275	584	333	466
<i>State and local</i>										
Total health and medical care.....	378,821	405,149	429,384	446,814	423,310	406,400	439,883	470,709	501,174	544,089
Health and medical services.....	279,321	304,149	325,884	362,314	368,310	362,400	398,383	419,209	434,674	469,089
Workmen's compensation (medical benefits) ²	74,400	74,400	74,300	67,300	57,400	54,000	62,000	71,200	70,600	77,000
General hospital and medical care.....	108,600	125,000	140,400	177,400	192,900	190,000	213,700	224,900	231,000	242,700
Maternal and child health services.....	5,000	.....	.....	.....	.....	.....	6,900	959	4,436	5,207
School health (educational agencies).....	9,400	9,678	10,100	10,508	9,900	9,271	10,000	10,604	12,100	13,478
Other public health activities.....	81,860	95,000	101,000	107,000	108,000	109,000	105,650	111,368	116,294	130,501
Medical vocational rehabilitation.....	61	71	84	106	110	129	133	178	244	203
Medical-facilities construction.....	99,500	101,000	103,500	84,500	55,000	44,000	41,500	51,500	66,500	75,000

See footnotes at end of table.

TABLE 3-13.—Health and medical care: All expenditures under public programs, fiscal years, 1929-66—Continued

[In thousands]

Program	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48
<i>Total</i>										
Total health and medical care ¹ ...	\$724,173	\$781,603	\$892,594	\$1,125,543	\$2,071,534	\$2,428,904	\$2,579,467	\$2,282,044	\$2,098,570	\$2,152,672
Health and medical services.....	608,937	679,479	822,624	1,025,059	1,854,955	2,297,553	2,468,215	2,178,835	1,848,342	1,989,224
Workmen's compensation (medical benefits) ²	80,000	90,000	98,000	104,000	110,000	116,000	122,000	132,000	150,000	168,000
General hospital and medical care.....	255,266	297,598	315,095	311,699	325,370	335,000	364,823	400,564	567,620	696,310
Defense Department hospital and medical care.....	34,906	45,397	157,827	349,590	1,130,935	1,531,782	1,631,071	1,128,044	396,242	245,125
Maternal and child health services.....	12,976	13,790	16,029	17,297	17,691	46,673	62,079	53,277	35,174	30,557
School health (educational agencies).....	15,000	16,400	17,800	19,236	20,600	21,923	23,300	24,617	24,700	24,748
Other public health activities.....	153,257	154,518	152,389	154,639	177,438	163,449	177,265	230,257	260,038	287,536
Veterans' hospital and medical care.....	57,192	61,506	65,145	68,153	72,290	81,969	85,547	207,882	411,083	531,753
Medical vocational rehabilitation.....	340	270	339	445	631	757	1,430	2,194	3,485	5,195
Medical research.....	2,031	2,550	2,545	2,444	2,572	2,579	2,537	3,458	26,990	49,681
Medical-facilities construction.....	113,205	99,574	67,425	98,040	214,007	128,772	108,715	99,751	223,238	113,767
Defense Department.....	(3)	(3)	18,635	58,184	174,538	82,038	38,911	(3)	(3)	(3)
Veterans Administration.....	11,458	14,338	4,741	4,245	2,820	5,051	16,301	35,913	165,567	29,137
Other.....	101,747	85,236	44,049	35,611	36,649	41,683	53,503	63,838	57,671	84,630
<i>Federal</i>										
Total health and medical care....	152,495	177,749	306,185	546,392	1,461,134	1,816,282	1,909,057	1,520,956	1,137,518	991,315
Health and medical services.....	137,759	158,125	279,715	481,408	1,280,555	1,726,431	1,851,305	1,481,247	942,790	908,367
Workmen's compensation (medical benefits) ²	4,696	5,159	4,628	3,108	2,990	3,381	4,741	2,216	2,216	2,819
General hospital and medical care.....	14,666	15,498	16,895	18,299	21,970	26,500	29,723	37,764	43,820	44,510
Defense Department hospital and medical care.....	34,906	45,397	157,827	349,590	1,130,935	1,531,782	1,631,071	1,128,044	396,242	245,125
Maternal and child health services.....	7,145	7,775	9,514	10,386	11,018	39,963	55,242	46,433	26,986	21,545
Other public health activities.....	18,997	22,660	25,543	31,654	41,043	42,352	43,951	57,306	59,864	58,875
Veterans' hospital and medical care.....	57,192	61,506	65,145	68,153	72,290	81,969	85,547	207,882	411,083	531,753
Medical vocational rehabilitation.....	157	130	163	218	309	484	1,030	1,602	2,579	3,740
Medical research.....	2,031	2,550	2,545	2,444	2,572	2,579	2,537	3,458	26,990	49,681
Medical-facilities construction.....	12,705	17,074	23,925	62,540	178,007	87,272	55,215	36,251	167,738	33,267
Defense Department.....	(3)	(3)	18,635	58,184	174,538	82,038	38,911	(3)	(3)	(3)
Veterans Administration.....	11,458	14,338	4,741	4,245	2,820	5,051	16,301	35,913	165,567	29,137
Other.....	1,247	2,736	549	111	649	183	3	338	2,171	4,130
<i>State and local</i>										
Total health and medical care....	571,674	603,813	586,437	579,159	610,390	612,603	670,451	761,104	961,068	1,161,376
Health and medical services.....	471,174	521,313	542,937	543,659	574,390	571,103	616,951	697,604	905,568	1,080,876
Workmen's compensation (medical benefits) ²	75,300	84,800	93,400	100,900	107,000	112,600	117,300	129,800	147,800	165,200
General hospital and medical care.....	240,600	282,100	298,200	293,400	303,400	308,500	335,100	362,800	523,800	651,800
Maternal and child health services.....	5,831	6,015	6,515	6,911	6,673	6,710	6,837	6,844	8,188	9,012
School health (educational agencies).....	15,000	16,400	17,800	19,236	20,600	21,923	23,300	24,617	24,700	24,748
Other public health activities.....	134,260	131,858	126,846	122,985	136,395	121,097	134,014	172,951	200,174	228,661
Medical vocational rehabilitation.....	183	140	176	227	322	273	400	592	906	1,455
Medical-facilities construction.....	100,500	82,500	43,500	35,500	36,000	41,500	53,500	63,500	55,500	80,500

See footnotes at end of table.

TABLE 3-13.—Health and medical care: All expenditures under public programs, fiscal years, 1929-66—Continued
[In thousands]

Program	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
<i>Total</i>									
Total health and medical care ¹	\$2,657,372	\$3,065,339	\$3,812,829	\$4,482,985	\$4,377,752	\$4,335,851	\$4,420,591	\$4,689,253	\$5,246,398
Health and medical services.....	2,242,336	2,470,158	3,162,543	3,766,921	3,724,036	3,725,514	3,862,281	4,126,866	4,536,571
Temporary disability insurance (medical benefits) ²	2,185	9,758	12,312	14,886	17,591	19,969	22,374	26,291	
Workmen's compensation (medical benefits) ²	180,000	193,000	216,000	245,000	270,000	295,000	315,000	335,000	355,000
Public assistance (vendor medical payments).....	51,300	100,700	119,100	154,400	175,500	211,900	252,700	287,600	
General hospital and medical care.....	782,431	886,131	980,035	1,087,686	1,185,456	1,227,394	1,297,648	1,471,182	1,675,544
Defense Department hospital and medical care.....	314,099	336,191	832,018	1,119,818	972,438	808,345	744,786	762,500	789,195
Military dependents' medical care.....									24,448
Maternal and child health services.....	31,353	29,810	33,376	36,415	39,806	90,028	92,724	103,891	112,901
School health (educational agencies).....	27,700	30,599	31,200	31,791	45,100	58,269	65,900	73,435	79,500
Other public health activities.....	325,130	350,777	370,737	462,069	391,571	363,938	383,736	369,561	435,036
Veterans' hospital and medical care.....	575,463	582,793	580,958	644,173	641,515	680,752	721,495	725,195	738,364
Medical vocational rehabilitation.....	6,160	7,372	7,761	8,656	8,864	8,697	9,123	11,028	12,692
Medical research.....	65,120	72,874	84,616	103,390	107,339	118,982	138,887	162,018	238,900
Medical-facilities construction.....	349,916	522,307	565,670	612,674	546,377	491,355	419,423	400,369	470,927
Defense Department.....	381	1,061	3,866	12,267	11,656	22,040	32,993	61,708	58,680
Veterans Administration.....	138,427	161,489	109,832	118,692	92,572	53,839	34,058	28,204	38,094
Other.....	211,108	359,757	451,972	481,715	442,149	415,476	352,372	310,457	374,153
<i>Federal</i>									
Total health and medical care.....	1,247,600	1,361,767	1,881,300	2,375,655	2,147,650	1,980,545	1,947,618	2,059,709	2,252,224
Health and medical services.....	1,025,064	1,059,586	1,563,014	1,998,591	1,810,934	1,680,208	1,657,308	1,735,322	1,833,397
Workmen's compensation (medical benefits) ²	3,104	5,214	4,634	5,997	6,641	6,259	6,863	6,756	7,263
Public assistance (vendor medical payments).....			5,700	11,300	16,300	19,400	23,300	29,000	37,600
General hospital and medical care.....	42,831	46,431	51,835	57,986	65,756	67,094	66,748	78,582	80,644
Defense Department hospital and medical care.....	314,099	336,191	832,018	1,119,818	972,438	808,345	744,786	762,500	789,195
Military dependents' medical care.....									24,448
Maternal and child health services.....	21,080	20,120	22,636	24,551	26,851	23,985	28,502	27,422	30,663
Other public health activities.....	64,113	63,750	59,878	128,880	76,183	68,981	64,958	99,030	117,274
Veterans' hospital and medical care.....	575,463	582,793	580,958	644,173	641,515	680,752	721,495	725,195	738,364
Medical vocational rehabilitation.....	4,374	5,087	5,355	5,886	5,850	5,392	5,656	6,837	7,946
Medical research.....	65,120	72,874	84,616	103,390	107,339	118,982	138,887	162,018	228,900
Medical-facilities construction.....	157,416	229,307	233,670	273,674	229,377	181,355	151,423	162,369	189,927
Defense Department.....	381	1,061	3,866	12,267	11,656	22,040	32,993	61,708	58,680
Veterans Administration.....	138,427	161,489	109,832	118,692	92,572	53,839	34,058	28,204	38,094
Other.....	18,608	66,757	119,972	142,715	125,149	105,476	84,372	72,457	93,153
<i>State and local</i>									
Total health and medical care.....	1,409,776	1,703,580	1,931,563	2,107,327	2,230,143	2,355,265	2,472,936	2,629,500	2,994,137
Health and medical services.....	1,217,276	1,410,580	1,599,563	1,768,327	1,913,143	2,045,265	2,204,936	2,391,500	2,703,137
Temporary disability insurance (medical benefits) ²	2,185	9,758	12,213	14,886	17,591	19,969	22,374	26,291	
Workmen's compensation (medical benefits) ²	176,900	187,800	211,400	239,000	264,000	288,700	308,100	328,200	347,700
Public assistance (vendor medical payments).....			51,300	95,000	107,800	138,100	156,100	188,600	223,700
General hospital and medical care.....	739,600	839,700	928,200	1,029,700	1,119,700	1,160,300	1,230,900	1,392,600	1,594,900
Maternal and child health services.....	10,273	9,684	10,740	11,864	12,955	66,043	69,222	76,469	82,238
School health (educational agencies).....	27,700	30,599	31,200	31,791	45,100	58,269	65,900	73,435	79,500
Other public health activities.....	261,017	287,027	310,859	333,189	315,388	294,957	318,778	270,531	317,762
Medical vocational rehabilitation.....	1,786	2,285	2,406	2,770	3,014	3,305	3,467	4,191	4,746
Medical research.....									10,000
Medical-facilities construction.....	192,500	293,000	332,000	339,000	317,000	310,000	268,000	238,000	281,000

See footnotes at end of table.

TABLE 3-13.—Health and medical care: All expenditures under public programs, fiscal years, 1929-66—Continued

[In thousands]

Program	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
<i>Total</i>									
Total health and medical care ¹	\$5,675,466	\$6,164,836	\$6,395,162	\$7,058,696	\$7,637,509	\$8,304,255	\$8,970,859	\$9,717,756	\$11,044,665
Health and medical services.....	4,787,584	5,157,085	5,346,305	5,894,645	6,236,744	6,717,858	7,258,614	7,815,322	8,933,910
OASDHI (health insurance for the aged).....	.....	.....	.....	.....	.....	.....	.....	.....	63,564
Temporary disability insurance (medical benefits) ²	31,919	38,384	40,239	43,767	45,507	48,403	50,429	50,936	54,263
Workmen's compensation (medical benefits) ²	370,000	390,000	420,000	450,000	475,000	510,000	545,000	580,000	630,000
Public assistance (vendor medical payments).....	320,200	410,000	492,700	588,900	812,400	1,000,800	1,147,600	1,367,100	1,709,900
General hospital and medical care.....	1,760,714	1,844,576	1,973,154	2,225,991	2,132,785	2,274,647	2,446,339	2,514,767	2,720,325
Defense Department hospital and medical care.....	799,194	853,744	820,088	863,724	932,900	920,882	1,014,245	1,036,802	1,273,367
Military dependent's medical care.....	89,520	79,823	60,050	60,995	73,219	74,957	75,413	78,314	76,166
Maternal and child health services.....	121,651	132,923	140,741	151,819	173,350	189,282	208,995	223,175	276,194
School health (educational agencies).....	85,574	93,300	100,993	115,000	129,007	128,400	127,737	132,000	135,000
Other public health activities.....	394,527	454,087	401,225	426,576	478,081	531,492	548,663	671,509	723,766
Veterans' hospital and medical care.....	799,303	844,400	879,370	947,430	962,003	1,012,995	1,062,993	1,120,919	1,175,201
Medical vocational rehabilitation.....	14,982	16,668	17,745	20,443	22,492	26,000	31,200	34,200	47,964
OEO health and medical care.....	.....	.....	.....	.....	.....	.....	.....	5,600	48,200
Medical research.....	292,151	368,206	471,169	603,881	819,092	963,999	1,098,661	1,229,208	1,379,722
Medical-facilities construction.....	595,731	638,725	577,688	560,170	581,673	622,398	613,584	673,226	731,033
Defense Department.....	85,609	77,441	40,047	44,002	24,031	22,951	42,882	34,842	28,632
Veterans Administration.....	34,495	47,253	59,572	54,005	52,501	69,844	76,685	81,206	86,030
Other.....	475,627	514,031	478,069	462,163	505,141	529,603	494,017	557,178	616,371
<i>Federal</i>									
Total health and medical care.....	2,506,466	2,795,268	2,917,640	3,253,037	3,711,508	4,102,911	4,461,979	4,818,233	5,635,663
Health and medical services.....	1,972,584	2,145,337	2,174,783	2,372,986	2,632,743	2,850,514	3,044,734	3,259,799	3,921,908
OASDHI (health insurance for the aged).....	.....	.....	.....	.....	.....	.....	.....	.....	63,564
Workmen's compensation (medical benefits) ²	7,905	8,210	8,975	8,693	8,354	10,159	10,386	11,313	11,791
Public assistance (vendor medical payments).....	74,600	150,900	199,800	253,500	394,800	510,100	490,000	555,000	758,000
General hospital and medical care.....	88,514	93,776	103,354	111,391	113,885	119,547	130,739	137,967	146,225
Defense Department hospital and medical care.....	799,194	853,744	820,088	863,724	932,900	920,882	1,014,245	1,036,802	1,273,367
Military dependents' medical care.....	89,520	79,823	60,050	60,995	73,219	74,957	75,413	78,314	76,166
Maternal and child health services.....	32,406	32,783	34,688	38,841	49,361	50,554	56,826	69,790	108,123
Other public health activities.....	71,772	71,227	57,278	75,554	84,070	135,220	184,832	222,894	228,837
Veterans' hospital and medical care.....	799,303	844,400	879,370	947,430	962,003	1,102,995	1,062,993	1,120,919	1,175,201
Medical vocational rehabilitation.....	9,370	10,474	11,180	12,858	14,151	16,100	19,300	21,200	32,434
OEO health and medical care.....	.....	.....	.....	.....	.....	.....	.....	5,600	48,200
Medical research.....	279,151	351,206	448,169	573,881	782,092	918,999	1,048,661	1,174,208	1,318,722
Medical-facilities construction.....	254,731	298,725	294,688	306,170	296,673	333,398	368,584	384,226	395,033
Defense Department.....	85,609	77,441	40,047	44,002	24,031	22,951	42,882	34,842	28,632
Veterans Administration.....	34,495	47,253	59,572	54,005	52,501	69,844	76,685	81,206	86,030
Other.....	134,627	174,031	195,069	208,163	220,141	240,603	249,017	268,178	280,371
<i>State and local</i>									
Total health and medical.....	3,169,005	3,369,578	3,477,497	3,805,652	3,925,955	4,201,303	4,508,866	4,899,536	5,408,993
Health and medical services.....	2,815,005	3,012,578	3,171,497	3,521,652	3,603,955	3,867,303	4,213,866	4,555,536	5,011,993
Temporary disability insurance (medical benefits) ²	31,919	38,384	40,239	43,767	45,507	48,403	50,429	50,936	54,263
Workmen's compensation (medical benefits) ²	362,100	381,800	411,000	441,300	466,600	499,800	534,600	568,700	618,200
Public assistance (vendor medical payments).....	245,600	259,100	292,900	335,400	417,600	490,700	657,600	812,100	951,900
General hospital and medical care.....	1,672,200	1,750,800	1,869,800	2,114,600	2,018,900	2,155,100	2,315,600	2,376,800	2,574,100
Maternal and child health services.....	89,245	100,140	106,053	112,978	123,989	138,728	152,169	153,385	168,071
School health (educational agencies).....	85,574	93,300	100,993	115,000	129,007	128,400	127,737	132,000	135,000
Other public health activities.....	322,755	382,860	343,947	351,022	394,011	396,272	363,831	448,615	494,929
Medical vocational rehabilitation.....	5,612	6,194	6,565	7,585	8,341	9,900	11,900	13,000	15,530
Medical research.....	13,000	17,000	23,000	30,000	37,000	45,000	50,000	55,000	61,000
Medical-facilities construction.....	341,000	340,000	283,000	254,000	285,000	289,000	245,000	289,000	336,000

¹Federal and State and local components do not add to the total because workmen's compensation figures for total and for State and local are rounded estimates.²Includes medical benefits paid under public law by private insurance carriers and self-insurers.³Not available.

TABLE 4-1.—Veterans' programs: Summary of expenditures, fiscal years, 1929-66

[In millions]

Program	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41
<i>Benefits and administration</i>													
Total.....	\$657.9	\$667.8	\$744.3	\$825.0	\$818.8	\$529.5	\$597.5	\$3,825.5	\$892.5	\$627.3	\$606.1	\$629.0	\$612.9
Pensions and compensation.....	434.7	433.4	504.4	562.2	565.0	333.0	386.5	411.3	409.0	415.2	429.7	443.3	448.4
Health and medical programs.....	50.9	59.4	68.3	77.8	69.9	42.2	50.8	55.1	62.1	64.6	68.6	75.8	69.9
Hospital and medical care.....	46.7	50.7	58.7	64.3	55.8	38.9	47.8	52.1	52.8	54.8	57.2	61.5	65.1
Hospital construction.....	4.2	8.6	9.5	13.6	14.1	3.3	3.0	3.0	9.4	9.7	11.5	14.3	4.7
Life insurance.....	136.4	140.0	137.7	146.0	145.3	124.6	122.8	117.7	113.1	107.8	76.3	77.0	68.7
Welfare and other.....	35.8	35.0	34.0	39.0	38.6	29.8	37.5	3,241.4	308.4	39.8	31.3	32.9	25.8
Federal.....	657.9	667.8	744.3	825.0	818.8	529.5	597.5	3,825.5	880.4	615.1	596.3	619.8	604.5
Pensions and compensation.....	434.7	433.4	504.4	562.2	565.0	333.0	386.5	411.3	409.0	415.2	429.7	443.3	448.4
Health and medical programs.....	50.9	59.4	68.3	77.8	69.9	42.2	50.8	55.1	62.1	64.6	68.6	75.8	69.9
Hospital and medical care.....	46.7	50.7	58.7	64.3	55.8	38.9	47.8	52.1	52.8	54.8	57.2	61.5	65.1
Hospital construction.....	4.2	8.6	9.5	13.6	14.1	3.3	3.0	3.0	9.4	9.7	11.5	14.3	4.7
Life insurance.....	136.4	140.0	137.7	146.0	145.3	124.6	122.8	117.7	113.1	107.8	76.3	77.0	68.7
Welfare and other.....	35.8	35.0	34.0	39.0	38.6	29.8	37.5	3,241.4	296.1	27.5	21.5	23.7	17.5
State and local: Welfare and other.....										12.4	12.3	9.8	9.2
	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54
Total.....	\$645.4	\$623.3	\$720.0	\$1,125.8	\$2,402.9	\$5,682.5	\$6,638.2	\$6,926.7	\$6,865.7	\$5,996.0	\$5,255.6	\$4,734.7	\$4,630.9
Pensions and compensation.....	445.7	457.8	513.1	766.6	1,279.5	1,834.4	1,910.6	1,980.1	2,092.1	2,113.8	2,183.7	2,448.6	2,507.1
Health and medical programs.....	72.4	75.1	87.0	101.8	243.8	578.0	563.5	718.2	748.0	695.8	766.7	739.2	739.9
Hospital and medical care.....	68.2	72.3	82.0	85.5	207.9	411.1	531.8	575.5	582.8	581.0	644.2	641.5	680.8
Hospital construction.....	4.2	2.8	5.1	16.3	35.9	165.6	29.1	138.4	161.5	109.8	118.7	92.6	53.8
Medical and prosthetic research.....						1.4	2.6	4.3	3.7	5.0	3.9	5.1	5.3
Education.....	60.4	67.0	93.7	201.2	376.0	440.9	433.1	452.3	475.7	515.0	554.9	538.8	538.1
Life insurance.....	67.0	23.3	26.2	46.4	134.7	556.0	1,100.8	958.2	858.3	652.1	369.6	301.4	249.4
Federal.....	636.9	616.9	713.4	1,118.5	2,348.5	5,504.4	6,001.1	6,399.8	6,386.2	5,661.3	5,112.9	4,620.6	4,528.1
Pensions and compensation.....	445.7	457.8	513.1	766.6	1,279.5	1,834.4	1,910.6	1,980.1	2,092.1	2,113.8	2,183.7	2,448.6	2,507.1
Health and medical programs.....	72.4	75.1	87.0	101.8	243.8	578.0	563.5	718.2	748.0	695.8	766.7	739.2	739.9
Hospital and medical care.....	68.2	72.3	82.0	85.5	107.9	411.1	531.8	575.5	582.8	581.0	644.2	641.5	680.8
Hospital construction.....	4.2	2.8	5.1	16.3	35.9	165.6	29.1	138.4	161.5	109.8	118.7	92.6	53.8
Medical and prosthetic research.....						1.4	2.6	4.3	3.7	5.0	3.9	5.1	5.3
Education.....	60.4	67.0	93.7	201.2	376.0	440.9	433.1	452.3	475.7	515.0	554.9	538.8	538.1
Life insurance.....	58.5	16.9	19.6	39.1	80.3	337.8	463.7	431.3	378.8	317.4	226.9	187.3	146.6
State and local: Welfare and other.....	8.5	6.5	6.6	7.4	54.4	178.1	637.1	526.9	479.5	334.7	142.8	114.1	102.8
	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	
Total.....	\$4,833.5	\$5,061.2	\$5,118.8	\$5,426.7	\$5,472.3	\$5,479.2	\$5,623.7	\$5,654.1	\$5,751.2	\$5,861.5	\$6,038.8	\$6,360.3	
Pensions and compensation.....	2,689.7	2,805.4	2,886.4	3,126.7	3,303.9	3,402.7	3,664.8	3,749.1	3,912.6	4,001.7	4,156.0	4,423.8	
Health and medical programs.....	761.1	759.9	786.9	843.8	904.5	954.0	1,019.9	1,041.3	1,112.7	1,172.8	1,239.0	1,301.9	
Hospital and medical care.....	721.5	725.2	738.4	799.3	844.4	879.4	947.4	962.0	1,013.0	1,063.0	1,120.9	1,175.2	
Hospital construction.....	34.1	28.2	38.1	34.5	47.3	59.6	54.0	52.5	69.8	76.7	81.2	86.0	
Medical and prosthetic research.....	5.6	6.5	10.4	10.0	12.8	15.1	18.4	26.8	29.9	33.2	36.9	40.7	
Education.....	706.1	809.5	816.2	736.9	608.7	409.6	257.6	157.2	100.8	69.6	43.4	36.9	
Life insurance.....	490.2	476.2	476.9	490.0	485.6	494.1	492.7	499.5	489.4	471.6	446.9	455.4	
Welfare and other.....	186.5	210.2	152.5	229.3	169.6	218.8	188.9	207.1	135.7	145.7	153.6	142.3	
Federal.....	4,771.9	4,972.0	5,079.6	5,305.3	5,411.2	5,367.3	5,539.4	5,558.9	5,731.2	5,842.6	6,018.4	6,339.0	
Pensions and compensation.....	2,689.7	2,805.4	2,886.4	3,126.7	3,203.9	3,402.7	3,664.8	3,749.1	3,912.6	4,001.7	4,156.0	4,423.8	
Health and medical programs.....	761.1	759.9	786.9	843.8	904.5	954.0	1,019.9	1,041.3	1,112.7	1,172.8	1,239.0	1,301.9	
Hospital and medical care.....	721.5	725.2	738.4	799.3	844.4	879.4	947.4	962.0	1,013.0	1,063.0	1,120.9	1,175.2	
Hospital construction.....	34.1	28.2	38.1	34.5	47.3	59.6	54.0	52.5	69.8	76.7	81.2	86.0	
Medical and prosthetic research.....	5.6	6.5	10.4	10.0	12.8	15.1	18.4	26.8	29.9	33.2	36.9	40.7	
Education.....	706.1	809.5	816.2	736.9	608.7	409.6	257.6	157.2	100.8	69.6	43.4	36.9	
Life insurance.....	490.2	476.2	476.9	490.0	485.6	494.1	492.7	499.5	489.4	471.6	446.9	455.4	
Welfare and other.....	124.9	121.0	113.2	107.9	108.5	106.9	104.5	111.8	115.7	126.8	133.2	121.0	
State and local: Welfare and other.....	61.6	89.2	39.3	121.4	61.1	111.9	84.3	95.2	20.0	18.9	20.4	21.3	

TABLE 4-1.—Veterans' programs: Summary of expenditures, fiscal years, 1929-66—Continued

[In millions]

Program	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41	
<i>Benefits</i>														
Total.....	632.1	641.5	716.6	795.7	793.0	511.7	579.3	3,807.3	874.4	610.2	589.9	711.2	594.6	
Pensions and compensation.....	418.8	418.4	488.4	555.8	550.6	324.0	377.4	402.0	399.7	406.4	420.3	433.1	437.3	
Health and medical programs.....	49.3	57.3	65.8	74.9	67.6	40.9	49.2	53.4	60.1	62.6	66.4	73.2	67.5	
Hospital and medical care.....	45.3	49.0	56.7	62.1	54.1	37.7	46.3	50.5	51.2	53.2	55.5	59.6	62.9	
Hospital construction.....	4.0	8.2	9.0	12.9	13.5	3.2	2.9	2.9	9.0	9.3	11.0	13.6	4.5	
Life insurance.....	128.3	131.1	128.8	136.3	136.5	117.3	115.5	110.8	106.4	101.8	72.0	72.4	64.3	
Welfare and other.....	35.6	34.7	33.7	38.7	38.3	29.6	37.3	3,241.1	308.1	39.5	31.0	32.5	25.4	
Federal.....	632.1	641.5	716.6	795.7	793.0	511.7	579.3	3,807.3	862.1	598.0	580.1	602.0	586.2	
Pensions and compensation.....	418.8	418.4	488.4	545.8	550.6	324.0	377.4	402.0	399.7	406.4	420.3	433.1	437.3	
Health and medical programs.....	49.3	57.3	65.8	74.9	67.6	40.9	49.2	53.4	60.1	62.6	66.4	73.2	67.5	
Hospital and medical care.....	45.3	49.0	56.7	62.1	54.1	37.7	46.3	50.5	51.2	53.2	55.5	59.6	62.9	
Hospital construction.....	4.0	8.2	9.0	12.9	13.5	3.2	2.9	2.9	9.0	9.3	11.0	13.6	4.5	
Life insurance.....	128.3	131.1	128.8	136.3	136.5	117	115.5	110.8	106.4	101.8	72.0	72.4	64.3	
Welfare and other.....	35.6	34.7	33.7	38.7	38.3	29.6	37.3	3,241.1	295.8	27.2	21.2	23.3	17.1	
State and local: Welfare and other ¹										12.4	12.3	9.8	9.2	8.3
	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	
Total.....	\$625.5	\$598.2	\$690.2	\$1,073.4	\$2,269.4	\$5,282.4	\$6,290.4	\$6,597.1	\$6,575.5	\$5,732.3	\$5,022.4	\$4,534.9	\$4,439.6	
Pensions and compensation.....	435.5	446.6	498.8	737.3	1,221.3	1,743.4	1,833.9	1,906.2	2,203.7	2,050.3	2,120.6	2,394.1	2,467.9	
Health and medical programs.....	70.1	72.8	84.1	97.1	226.4	532.9	527.1	684.7	724.5	675.8	748.5	723.4	726.2	
Hospital and medical care.....	66.1	70.1	79.2	81.3	192.1	373.9	496.7	548.2	566.6	565.9	631.1	629.6	669.5	
Medical and prosthetic research.....						2.6	2.6	4.3	3.7	5.0	3.9	5.1	5.3	
Education.....				9.5	350.0	2,118.7	2,498.0	2,703.9	2,595.7	1,943.3	1,325.4	667.8	554.1	
Life insurance.....	53.4	55.8	81.6	184.1	340.8	361.8	363.7	374.5	399.0	441.9	488.6	476.9	478.0	
Welfare and other.....	66.6	22.9	25.7	45.4	130.9	525.5	1,067.8	927.9	832.5	620.9	339.3	272.8	213.3	
Federal.....	617.0	591.8	683.6	1,066.1	2,215.0	5,104.3	5,653.3	6,070.2	6,096.0	5,397.6	4,879.6	4,420.8	4,336.8	
Pensions and compensation.....	435.5	446.6	498.8	737.3	1,221.3	1,743.4	1,833.9	1,906.2	2,023.7	2,050.3	2,120.6	2,394.1	2,467.9	
Health and medical programs.....	70.1	72.8	84.1	97.1	226.4	532.9	527.1	684.7	724.5	675.8	748.5	723.4	726.2	
Hospital and medical care.....	66.1	70.1	79.2	81.3	192.1	373.9	496.7	548.2	566.6	565.9	631.1	629.6	669.5	
Hospital construction.....	4.0	2.7	4.9	15.8	34.3	157.6	27.7	132.2	154.3	104.9	113.4	88.7	51.3	
Medical and prosthetic research.....						1.4	2.6	4.3	3.7	5.0	3.9	5.1	5.3	
Education.....				9.5	350.0	2,118.7	2,498.0	2,703.9	2,595.7	1,943.3	1,325.4	667.8	554.1	
Life insurance.....	53.4	55.8	81.6	184.1	340.8	361.8	363.7	374.5	399.0	441.9	488.6	476.9	478.0	
Welfare and other.....	58.1	16.5	19.1	38.1	76.5	474.4	430.7	401.0	353.0	286.2	196.6	158.7	110.5	
State and local: Welfare and other ¹	8.5	6.5	6.6	7.4	54.4	178.1	637.1	526.9	479.5	334.7	142.8	114.1	102.8	
	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66		
Total.....	4,657.3	4,888.0	4,950.9	5,256.3	5,299.6	5,305.6	5,450.2	5,480.7	5,578.2	5,688.8	5,862.8	6,182.4		
Pensions and compensation.....	2,652.3	2,768.4	2,849.3	3,085.6	3,260.6	3,355.6	3,612.6	3,698.1	3,865.0	3,950.5	4,099.0	4,365.0		
Health and medical programs.....	750.8	747.5	774.3	829.9	888.6	936.9	1,023.6	1,023.2	1,092.0	1,150.0	1,215.4	1,277.9		
Hospital and medical care.....	712.7	714.1	727.5	787.1	830.6	865.0	932.8	946.5	994.9	1,043.2	1,100.5	1,154.8		
Hospital construction.....	32.6	26.9	36.3	32.9	45.1	56.9	51.4	49.9	67.2	73.6	78.1	82.5		
Medical and prosthetic research.....	5.6	6.5	10.4	10.0	12.8	15.1	18.4	26.8	29.9	33.2	36.9	40.7		
Education.....	664.5	766.9	776.3	698.4	574.1	382.9	237.3	142.5	88.2	58.8	37.4	31.0		
Life insurance.....	441.4	433.9	438.0	450.7	446.7	454.0	450.3	461.0	451.7	443.6	418.5	425.1		
Welfare and other.....	148.3	171.3	113.0	191.7	129.7	176.3	147.4	156.0	81.3	86.0	92.4	83.3		
Federal.....	4,595.7	4,798.8	4,911.6	5,134.9	5,238.5	5,193.7	5,365.8	5,385.5	5,558.2	5,669.9	5,842.4	6,161.1		
Pensions and compensation.....	2,652.3	2,768.4	2,849.3	3,085.6	3,260.6	3,355.6	3,612.6	3,698.1	3,865.0	3,950.5	4,099.0	4,365.0		
Health and medical programs.....	750.8	747.5	774.3	829.9	888.6	936.9	1,002.6	1,023.2	1,092.0	1,150.0	1,215.4	1,277.9		
Hospital and medical care.....	712.7	714.1	727.5	787.1	830.6	865.0	932.8	946.5	994.9	1,043.2	1,100.5	1,154.8		
Hospital construction.....	32.6	26.9	36.3	32.9	45.1	56.9	51.4	49.9	67.2	73.6	78.1	82.5		
Medical and prosthetic research.....	5.6	6.5	10.4	10.0	12.8	15.1	18.4	26.8	19.9	33.2	36.9	40.7		
Education.....	664.5	766.9	776.3	698.4	574.1	382.9	237.3	142.5	88.2	58.8	37.4	31.0		
Life insurance.....	441.4	433.9	438.0	450.7	446.7	454.0	450.3	461.0	451.7	443.6	418.5	425.1		
Welfare and other.....	86.7	82.1	73.7	70.3	68.6	64.4	63.1	60.8	61.3	67.1	72.0	62.0		
State and local: Welfare and other ¹	61.6	89.2	39.3	121.4	61.1	111.8	84.3	95.2	20.0	18.9	20.4	21.3		

¹ Includes administrative expenditures, not available separately.

TABLE 4-2.—Federal expenditures for veterans' program, 1929-66

[In thousands]

Program	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
Total veterans' programs.....	\$657,878	\$667,795	\$744,345	\$825,009	\$818,789	\$529,511	\$597,494	\$3,825,470	\$880,366	\$615,063
Pensions and compensation.....	434,721	433,433	504,389	562,200	564,985	332,991	386,463	411,281	408,995	415,199
Periodic cash benefits.....	418,821	418,433	488,389	545,800	550,585	321,395	374,426	399,010	396,046	402,784
Living veterans.....	287,066	290,475	364,653	421,391	428,482	227,816	278,025	299,018	299,676	301,292
Deceased veterans.....	131,755	127,958	123,736	124,410	122,103	93,579	96,400	99,992	96,370	101,492
Burial allowances.....	15,900	15,000	16,000	16,400	14,400	2,596	2,937	2,971	3,649	3,615
Administration.....						9,000	9,100	9,300	9,300	8,800
Health and medical programs.....	50,947	59,370	68,277	77,831	69,943	42,165	50,774	55,126	62,132	64,571
Hospital and medical care ¹	46,703	50,729	58,737	64,255	55,826	38,894	47,771	52,088	52,768	54,824
Services.....	45,303	49,029	56,737	62,055	54,126	37,694	46,271	50,488	51,168	53,224
Administration.....	1,400	1,700	2,000	2,200	1,700	1,200	1,500	1,600	1,600	1,600
Hospital construction.....	4,244	8,641	9,540	13,576	14,117	3,271	3,003	3,038	9,364	9,747
Construction.....	4,044	8,241	9,040	12,876	13,517	3,171	2,903	2,938	8,964	9,347
Administration.....	200	400	500	700	600	100	100	100	400	400
Life insurance.....	136,434	140,033	137,670	146,018	145,306	124,575	122,759	117,663	113,147	107,792
Benefits.....	128,334	131,133	128,770	136,318	136,506	117,275	115,459	110,763	106,447	101,792
Administration.....	8,100	8,900	8,900	9,700	8,800	7,300	7,300	6,900	6,700	6,000
Welfare and other.....	35,777	34,958	34,009	38,961	38,554	29,781	37,499	3,241,399	296,092	27,503
Adjusted service certificates.....	26,198	23,262	21,855	25,696	26,946	25,313	26,924	3,229,512	284,202	15,190
Domiciliary care.....	9,379	11,396	11,854	12,965	11,309	3,875	9,667	10,549	10,689	11,118
Beneficiaries' travel.....	200	300	300	300	300	300	393	708	1,039	901
Administration.....							200	200	300	300
	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48
Total veterans' programs.....	\$596,252	\$619,800	\$604,541	\$636,891	\$616,857	\$713,444	\$1,118,469	\$2,348,507	\$5,504,409	\$6,001,056
Pensions and compensation.....	429,745	443,257	448,446	445,659	457,842	513,100	766,597	1,279,497	1,834,423	1,910,590
Periodic cash benefits.....	416,719	429,153	433,129	431,298	442,374	494,375	732,545	1,215,697	1,731,979	1,820,691
Living veterans.....	307,527	314,449	319,902	320,388	329,588	368,373	547,144	910,334	1,365,406	1,435,724
Deceased veterans.....	109,192	114,705	113,227	110,910	112,786	126,002	185,401	305,363	366,573	384,968
Burial allowances.....	3,626	3,904	4,217	4,161	4,268	4,425	4,752	5,600	11,409	13,213
Administration.....	9,400	10,200	11,100	10,200	11,200	14,300	29,300	58,200	91,035	76,686
Health and medical programs.....	68,650	75,843	69,886	72,398	75,110	87,020	101,848	243,795	578,043	563,523
Hospital and medical care ¹	57,192	61,506	65,145	68,153	72,290	81,969	85,547	207,882	411,083	531,753
Services.....	55,492	59,606	62,945	66,053	70,090	79,269	81,347	192,082	373,950	496,706
Administration.....	1,700	1,900	2,200	2,100	2,200	2,700	4,200	15,800	37,133	35,047
Hospital construction.....	11,458	14,338	4,741	4,245	2,820	5,051	16,301	35,913	165,567	29,137
Construction.....	10,958	13,638	4,541	4,045	2,720	4,851	15,801	34,313	157,581	27,749
Administration.....	500	700	200	200	100	200	500	1,600	7,986	1,388
Medical and prosthetic research ¹									1,393	2,633
Education.....								9,801	368,919	2,273,255
Allowances, tuition, and supplies.....								9,501	350,019	2,118,735
Administration.....								300	18,900	154,520
Life insurance.....	76,324	76,978	68,676	60,363	67,043	93,732	201,170	376,045	440,850	433,054
Benefits.....	72,024	72,378	64,276	53,360	55,843	81,632	184,070	340,845	361,793	363,655
Administration.....	4,300	4,600	4,400	7,000	11,200	12,100	17,100	35,200	79,057	69,399
Welfare and other.....	21,534	23,722	17,533	58,471	16,861	19,592	39,054	80,251	377,838	463,698
Adjusted service certificates.....	8,599	9,916	3,056	43,481	1,165	1,737	11,287	3,831	1,082	913
Domiciliary care.....	11,592	12,452	13,149	13,798	14,642	16,559	16,993	17,272	17,621	18,015
Beneficiaries' travel.....	1,042	954	928	792	655	796	1,317	2,019	2,750	5,045
Vocational rehabilitation.....							8,349	45,987	223,918	333,311
Counseling.....							108	2,221	6,763	6,314
Loan guaranty gratuities.....								5,121	73,486	57,182
Automobiles for the disabled.....									21,798	9,899
Administration.....	300	400	400	400	400	500	1,000	3,800	30,420	33,019

See footnotes at end of table.

TABLE 4-2.—Federal expenditures for veterans' programs, fiscal years, 1929-66—Continued

[In thousands]

Program	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
Total veterans' programs	\$6,399,781	\$6,386,175	\$5,661,298	\$5,112,879	\$4,620,629	\$4,528,081	\$4,771,885	\$4,972,041	\$5,079,553
Pensions and compensation	1,980,116	2,092,051	2,113,848	2,183,677	2,448,554	2,507,105	2,689,668	2,805,437	2,886,375
Periodic cash benefits	1,891,289	2,009,468	2,035,993	2,105,977	2,376,308	2,450,519	2,634,294	2,748,991	2,828,521
Living veterans	1,433,987	1,524,135	1,534,997	1,568,150	1,768,227	1,838,330	1,969,837	2,054,995	2,099,723
Deceased veterans	457,303	485,333	500,995	537,827	608,081	612,189	664,457	693,996	728,797
Burial allowances	14,907	14,250	14,352	14,614	17,760	17,414	18,001	19,428	20,748
Administration	73,920	68,333	63,504	63,086	54,485	39,172	37,373	37,019	37,106
Health and medical programs	718,162	748,001	695,769	766,737	739,179	739,934	761,117	759,870	786,904
Hospital and medical care ¹	575,463	582,793	580,958	644,173	641,515	680,752	721,495	725,195	738,364
Services	548,195	566,578	565,925	631,144	629,603	669,508	712,652	714,122	727,535
Administration	27,268	16,215	15,033	13,029	11,913	11,244	8,843	11,073	10,829
Hospital construction	138,427	161,489	109,832	118,692	92,572	53,839	34,058	28,204	38,094
Construction	132,185	154,250	104,907	113,435	88,667	51,300	32,557	26,882	36,342
Administration	6,242	7,239	4,925	5,257	3,906	2,539	1,502	1,322	1,752
Medical and prosthetic research ¹	4,271	3,719	4,979	3,872	5,092	5,343	5,564	6,471	10,445
Education	2,817,862	2,691,568	2,019,286	1,380,718	706,760	596,374	706,058	809,538	816,230
Allowances, tuition, and supplies	2,703,862	2,595,728	1,943,341	1,325,403	667,803	554,120	664,514	766,900	776,257
Administration	114,000	95,839	75,945	55,314	39,057	42,255	41,544	42,637	39,973
Life insurance	452,327	475,729	515,021	554,896	538,794	538,056	490,158	476,195	476,861
Benefits	374,465	399,000	441,927	488,610	476,888	478,028	441,440	433,888	438,003
Administration	77,862	76,729	73,094	66,286	61,906	60,027	48,718	42,307	38,858
Welfare and other	431,314	378,827	317,374	226,852	187,343	146,612	124,885	121,002	113,183
Adjusted service certificates	627	585	361	304	215	701	231	223	264
Domiciliary care	19,883	20,549	20,526	22,891	22,835	24,241	27,986	28,379	29,378
Beneficiaries' travel	5,229	6,990	6,642	6,390	7,058	7,588	7,487	7,415	7,193
Vocational rehabilitation	335,200	272,292	176,875	97,902	57,769	41,294	40,770	38,134	30,598
Counseling	5,018	5,400	2,819	1,131	683	1,512	1,570	1,374	1,048
Loan guaranty gratuities	27,913	38,975	69,226	59,821	46,356	24,913	772	168	66
Automobiles for the disabled	6,620	2,174	579	1,530	18,224	4,963	2,856	1,933	1,006
Specially adapted homes	528	6,074	9,122	6,605	5,585	5,336	5,011	4,505	4,157
Administration	30,297	25,787	31,223	30,277	28,618	36,062	38,201	38,872	39,471
Total veterans' programs	\$5,305,289	\$5,411,202	\$5,367,318	\$5,539,394	\$5,558,875	\$5,731,156	\$5,842,562	\$6,018,447	\$6,339,047
Pensions and compensation	3,126,653	3,303,932	3,402,745	3,664,755	3,749,058	3,912,570	4,001,741	4,155,974	4,423,841
Periodic cash benefits	3,062,216	3,225,531	3,314,766	3,568,400	3,652,600	3,814,749	3,900,203	4,042,144	4,305,368
Living veterans	2,285,906	2,414,221	2,491,215	2,642,137	2,687,998	2,819,778	2,853,077	2,931,254	3,133,462
Deceased veterans	776,310	811,310	823,551	926,263	964,603	994,971	1,047,125	1,110,890	1,171,906
Burial allowances	23,384	35,104	40,819	44,176	45,459	50,271	50,307	56,852	59,658
Administration	41,054	43,297	47,160	52,180	50,999	47,550	51,232	56,978	58,815
Health and medical programs	843,773	904,469	954,029	1,019,881	1,041,324	1,112,706	1,172,832	1,239,032	1,301,903
Hospital and medical care ¹	799,303	844,400	879,370	947,430	962,003	1,012,995	1,062,993	1,120,919	1,175,201
Services	787,050	830,617	864,983	932,774	946,502	994,895	1,043,171	1,100,457	1,154,767
Administration	12,252	13,784	14,388	14,655	15,501	18,100	19,822	20,462	20,434
Hospital construction	34,495	47,253	59,572	54,005	52,501	69,844	76,685	81,206	86,030
Construction	32,904	45,145	56,854	51,428	49,866	67,236	73,636	78,058	82,470
Administration	1,591	2,108	2,718	2,577	2,635	2,608	3,049	3,148	3,560
Medical and prosthetic research ¹	9,976	12,815	15,087	18,447	26,820	29,868	33,153	36,907	40,673
Education	736,923	608,731	409,558	257,556	157,202	100,787	69,578	43,421	36,871
Allowances, tuition, and supplies	698,415	574,029	382,861	237,264	142,476	88,209	58,752	37,440	31,031
Administration	38,508	34,702	26,697	20,292	14,726	12,578	10,826	5,981	5,840
Life insurance	490,017	485,591	494,078	492,662	499,454	489,440	471,649	446,861	455,438
Benefits	450,714	446,672	453,952	450,307	461,011	451,706	443,594	418,530	425,132
Administration	39,303	38,918	40,126	42,356	38,443	37,734	28,055	28,332	30,306
Welfare and other	107,922	108,480	106,907	104,539	111,837	115,652	126,762	133,159	120,994
Adjusted service certificates	194	833	299	225	118	86	104	96	70
Domiciliary care	31,515	33,362	34,103	37,502	36,571	37,853	38,900	39,636	38,895
Beneficiaries' travel	7,158	7,373	7,873	8,109	8,712	8,983	9,320	10,225	10,631
Vocational rehabilitation	26,095	22,307	17,910	11,837	10,338	9,238	11,757	14,533	5,371
Counseling	790	592	263	251	419	635	952	1,113	1,107
Loan guaranty gratuities	7	—3	—7	(²)	1	(²)	(²)	—	—
Automobiles for the disabled	767	701	624	706	669	1,018	1,288	1,144	930
Specially adapted homes	3,738	3,429	3,352	4,389	3,895	3,459	4,724	5,208	4,819
Invalid lifts	—	—	—	36	28	20	22	44	158
Administration	37,659	39,885	42,488	41,484	51,087	54,360	59,694	61,160	59,014

¹ For 1929-46, "Hospital and medical care" includes "Medical and prosthetic research." Beginning 1947, "Medical and prosthetic research" from National Institutes of Health, Office of Program Planning, Resources Analysis Branch, *Resources for Medical Research*, and supplementary unpublished data.

² Less than \$500.

Source: Veterans Administration, *Annual Reports* and unpublished data except where otherwise noted.

TABLE 4-3.—State and local expenditures for veterans' programs, fiscal years, 1937-66

[In thousands]

Fiscal year	Total expenditures	Veterans' aid	Veterans' bonus	Other veterans' services	Fiscal year	Total expenditures	Veterans' bonus	Other veterans' services
1936-37.....	\$12,352	\$12,352	.....	.....	1951-52.....	\$142,770	\$125,001	\$17,769
1937-38.....	12,264	12,264	.....	.....	1952-53.....	114,062	96,702	17,360
1938-39.....	9,799	9,799	.....	.....	1953-54.....	102,778	88,785	13,993
1939-40.....	9,208	9,208	.....	.....	1954-55.....	61,594	47,239	14,355
1940-41.....	8,314	8,314	.....	.....	1955-56.....	89,169	74,165	15,004
1941-42.....	8,480	8,480	.....	.....	1956-57.....	39,292	22,743	16,549
1942-43.....	6,479	6,479	.....	.....	1957-58.....	121,399	102,844	18,555
1943-44.....	6,597	6,597	.....	.....	1958-59.....	61,123	42,699	18,424
1944-45.....	7,356	7,356	.....	.....	1959-60.....	111,880	93,877	18,003
1945-46.....	54,441	7,043	\$47,398	.....	1960-61.....	84,320	67,005	17,315
1946-47.....	178,130	7,540	158,920	\$11,670	1961-62.....	95,225	77,826	17,399
1947-48.....	637,105	7,462	615,899	13,744	1962-63.....	20,006	2,507	17,499
1948-49.....	526,907	6,843	505,250	14,814	1963-64.....	18,912	719	18,193
1949-50.....	479,479	8,428	457,182	13,869	1964-65.....	20,403	542	19,861
1950-51.....	334,732	.....	316,322	18,410	1965-66.....	21,297	1,282	20,015

Source: Department of Commerce, Bureau of the Census, annual edition, *Compendium of State Government Finances*.

TABLE 5-1.—Education: Summary of expenditures, fiscal years, 1929–66

[In millions]

Expenditures	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41
Total education ¹ ...	\$2,433.7	\$2,522.8	\$2,439.6	\$2,351.8	\$2,104.0	\$1,913.8	\$2,007.5	\$2,227.6	\$2,375.7	\$2,563.0	\$2,503.7	\$2,561.2	\$2,617.2
Elementary-secondary education...													
Construction ² ...	2,216.2	2,288.2	2,217.5	2,144.4	1,911.1	1,732.8	1,820.1	2,012.5	2,143.8	2,296.6	2,221.4	2,267.4	2,255.2
Higher education...	377.0	370.9	290.9	202.0	135.1	112.5	123.3	255.0	288.8	355.9	248.4	258.0	197.8
Vocational and adult ² ...	182.1	196.1	180.4	164.3	153.1	143.2	147.9	154.8	177.5	199.3	208.6	217.6	225.9
Federal ¹ ...	34.9	30.9	(3)	41.1	42.4	39.2	37.3	39.1	50.8	53.9	66.6	73.0	17.1
Federal ¹ ...	36.5	40.1	45.3	45.9	40.7	93.0	52.7	138.6	143.4	187.5	72.7	74.7	135.7
Elementary-secondary education...	9.6	10.9	13.9	13.5	10.9	64.7	21.2	96.7	99.4	130.7	14.2	14.7	13.9
Construction ² ...	(3)	(3)	(3)	(3)	(3)	53.3	8.0	83.7	83.7	117.0	(3)	(3)	(3)
Higher education...	12.1	13.2	13.9	14.3	12.4	11.8	11.9	14.1	16.0	16.8	18.1	18.9	23.0
Vocational and adult ² ...	14.3	15.4	16.9	17.4	16.8	16.1	19.1	27.1	27.5	39.3	39.7	40.4	98.1
State and local...	2,397.2	2,482.7	2,394.3	2,305.9	2,063.3	1,820.7	1,954.8	2,089.1	2,232.3	2,375.5	2,431.0	2,486.6	2,481.5
Elementary-secondary education...	2,206.6	2,277.3	2,203.7	2,130.9	1,900.2	1,668.0	1,798.9	1,924.8	2,044.3	2,165.8	2,207.2	2,252.8	2,241.4
Construction ² ...	377.0	370.9	290.9	211.0	135.1	59.2	115.3	171.3	205.1	238.9	248.4	258.0	197.8
Higher education...	170.0	183.0	166.5	150.0	140.7	131.5	136.0	140.6	161.5	182.4	190.6	198.7	202.9
Vocational and adult ² ...	20.6	30.6	(3)	(3)	(3)	13.9	(3)	(3)	(3)	19.4	20.0	20.6	17.1
1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	
Total education ¹ ...	\$2,694.2	\$2,793.3	\$2,800.4	\$3,076.3	\$3,296.8	\$4,089.0	\$4,897.3	\$5,808.6	\$6,674.1	\$7,415.1	\$8,245.7	\$9,230.9	\$10,084.4
Elementary-secondary education...	2,262.8	2,324.4	2,392.2	2,620.6	2,834.0	3,479.1	4,130.1	4,889.5	5,596.2	6,329.9	7,115.0	8,034.4	8,815.5
Construction ² ...	138.2	95.8	53.9	82.5	111.1	263.2	413.7	719.8	1,019.4	1,251.5	1,483.6	1,774.2	2,066.4
Higher education...	251.0	269.3	261.5	314.4	363.5	497.2	633.6	769.1	914.7	912.4	947.9	1,012.9	1,081.5
Vocational and adult ² ...	13.6	12.4	11.3	42.3	73.5	130.5	191.0	245.8	310.3	234.3	161.7	155.1	146.9
Federal ¹ ...	178.7	197.8	144.4	139.2	97.9	111.3	131.7	145.6	160.8	169.9	179.0	178.5	183.9
Federal ¹ ...	217.9	251.3	192.7	187.3	126.5	129.4	140.7	138.5	156.7	180.3	307.9	429.3	418.8
Elementary-secondary education...	31.9	35.6	41.7	48.5	45.3	41.7	41.1	38.5	47.1	65.4	150.9	273.2	262.5
Construction ² ...	15.2	14.6	14.5	14.5	14.5	15.9	15.7	6.5	5.2	8.8	61.7	142.1	124.0
Higher education...	43.8	59.2	48.6	43.2	34.0	37.3	43.2	40.7	48.5	52.8	94.8	93.1	94.9
Vocational and adult ² ...	140.4	154.6	100.1	93.5	45.7	49.1	54.6	56.8	58.7	59.2	58.3	57.9	58.0
State and local...	2,476.3	2,542.0	2,607.7	2,889.0	3,170.4	3,959.6	4,756.6	5,668.1	6,517.5	7,234.8	7,937.8	8,801.6	9,665.6
Elementary-secondary construction ² ...	123.1	81.2	39.4	68.0	96.5	247.3	398.0	713.3	1,014.2	1,242.8	1,421.8	1,632.2	1,942.3
Higher education...	207.2	210.0	212.9	271.2	329.5	459.9	590.4	728.3	866.3	859.7	853.0	919.8	986.6
Vocational and adult ² ...	13.6	12.4	11.3	42.3	73.3	129.2	185.0	244.8	304.6	232.5	160.4	153.6	146.9
1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66		
Total education ¹ ...	\$11,157.2	\$12,154.4	\$13,732.3	\$15,312.6	\$16,498.3	\$17,626.2	\$19,337.2	\$21,004.6	\$22,670.7	\$24,989.0	\$28,050.2	\$32,566.9	
Elementary-secondary education...	9,734.3	10,578.8	11,856.5	13,150.8	14,139.1	15,109.0	16,448.4	17,743.6	18,915.5	20,688.1	22,353.9	25,054.9	
Construction ² ...	2,231.9	2,395.5	2,629.6	2,868.1	2,757.3	2,661.8	2,762.0	2,862.2	2,920.1	2,978.0	3,267.0	3,449.9	
Higher education...	1,214.4	1,349.9	1,628.8	1,893.0	2,062.5	2,190.7	2,546.0	2,877.7	3,299.6	3,740.0	4,784.6	6,319.6	
Vocational and adult ² ...	204.9	244.4	333.0	423.9	389.7	357.9	458.8	554.8	653.8	703.0	1,229.0	1,814.3	
Federal ¹ ...	485.1	475.7	540.5	607.8	766.7	867.9	1,000.5	1,089.6	1,322.6	1,619.5	2,446.3	4,571.9	
Elementary-secondary education...	309.2	281.3	191.5	324.7	397.2	441.9	482.5	492.7	567.9	634.4	761.3	2,025.4	
Construction ² ...	139.9	102.9	84.7	94.1	76.2	70.6	59.2	41.9	53.2	22.0	77.0	46.5	
Higher education...	101.8	111.3	155.7	185.3	259.8	293.1	381.3	446.0	553.3	701.9	1,219.6	1,876.6	
Vocational and adult ² ...	5.1	4.4	2.2	2.1	4.	1.2	4.8	3.4	31.5	32.5	324.0	664.3	
State and local...	10,672.1	11,678.7	13,191.8	14,704.8	15,731.5	16,758.3	18,336.7	19,915.0	21,348.1	23,369.5	25,603.9	27,995.0	
Elementary-secondary education...	9,425.1	10,297.5	11,565.0	12,826.1	13,741.9	14,667.1	15,965.9	17,250.8	18,347.6	20,053.7	21,592.6	23,029.5	
Construction ² ...	2,091.9	2,292.6	2,544.9	2,774.0	2,681.1	2,591.2	2,702.7	2,820.3	2,866.8	2,956.0	3,190.0	3,403.4	
Higher education...	1,112.6	1,238.5	1,473.1	1,707.7	1,802.7	1,897.7	2,164.7	2,431.7	2,746.2	3,038.1	3,565.0	4,443.0	
Vocational and adult ² ...	193.4	240.0	330.1	421.8	389.2	356.7	454.0	551.4	622.3	670.5	905.0	1,150.0	
Federal ¹ ...	134.4	142.7	153.7	171.0	186.9	193.5	206.1	232.5	254.3	277.8	446.2	522.5	

¹ Expenditures for administrative costs (Office of Education) and research not shown separately, but included in total.² Construction costs of vocational and adult education programs included under elementary-secondary construction expenditures.³ Data not available.

TABLE 5-2.—Federal expenditures for education, fiscal years, 1929-66

[In thousands]

Program	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38
	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48
Total education.....	\$36,520	\$40,063	\$45,292	\$45,907	\$40,679	\$93,043	\$52,684	\$138,552	\$143,450	\$187,457
Construction, total.....	150	280	939	885	.....	53,734	7,984	83,716	83,716	117,030
Administrative costs and research:										
Office of Education ¹	489	552	620	692	599	524	500	511	552	576
Elementary-secondary education.....	9,602	10,880	13,863	13,510	10,920	64,702	21,199	96,749	99,432	130,733
Construction.....	.....	.....	.....	.....	53,274	7,984	83,716	83,716	117,030	.....
Support of local schools:										
Shared revenues from public lands ²	1,605	2,009	2,046	1,671	991	1,070	1,146	1,288	1,476	1,820
Indian education ³	7,922	8,796	11,742	11,764	9,833	8,325	10,181	9,842	12,431	10,146
Assistance in special areas ⁴.....	.....	.....	.....	.....	.....	1,936	1,790	1,805	1,711	1,591
Special schools:										
American Printing House for the Blind ⁵	75	75	75	75	75	75	75	75	75	125
Kendall School (Gallaudet College) ⁶.....	.....	.....	.....	.....	21	22	23	23	23	21
Construction: Public Works Administration ⁷.....	.....	.....	.....	.....	53,274	7,984	83,716	83,716	117,030	.....
Higher education.....	12,092	13,192	13,882	14,259	12,377	11,754	11,850	14,147	15,954	16,831
Construction.....	150	280	939	885	.....	460	.....	.....	.....	.....
Institutional grants:										
Land-grant colleges ⁸	2,550	2,550	2,550	2,550	2,550	2,550	2,550	3,530	4,030	4,530
Howard University ⁹	240	320	510	675	675	632	605	665	675	700
Gallaudet College ¹⁰	115	120	125	125	107	100	101	113	109	124
State merchant marine schools ¹¹	75	75	100	100	100	100	100	100	100	100
Agricultural experiment stations ¹²	4,221	4,737	4,752	4,756	4,668	4,608	4,590	5,156	5,897	6,293
Federal schools and training in institutions:										
U.S. service academies ¹³	4,741	5,110	4,906	5,168	4,277	3,304	3,904	4,583	5,143	5,084
Construction: Howard University ¹⁴	150	280	939	885	.....	460	.....	.....	.....	.....
Vocational and adult education ¹⁵	14,337	15,439	16,927	17,446	16,783	16,063	19,135	27,145	27,512	39,317
Vocational-technical training:										
Vocational education: High schools ¹⁶	7,197	7,776	8,254	8,773	8,055	7,325	10,387	10,387	10,387	21,776
Adult education: Agricultural extension service ¹⁷	7,140	7,663	8,673	8,673	8,728	8,738	8,748	16,758	17,125	17,541
Total education.....	\$72,730	\$74,657	\$135,709	\$217,896	\$251,347	\$192,669	\$187,276	\$126,457	\$129,444	\$140,681
Construction, total.....	.....	.....	.....	15,186	14,576	14,523	14,547	14,709	17,278	21,722
Administrative costs and research:										
Office of Education ¹	698	772	815	1,740	1,903	2,311	2,031	1,470	1,431	1,799
Elementary-secondary education.....	14,237	14,673	13,833	31,877	35,595	41,734	48,473	45,296	41,669	41,083
Construction.....	.....	.....	.....	15,186	14,576	14,523	14,547	14,527	15,900	15,686
Support of local schools:										
Shared revenues from public lands ²	2,220	2,105	2,044	2,278	2,564	3,171	4,682	4,656	4,183	6,322
Indian education ³	10,069	10,472	10,254	10,274	10,281	10,679	10,834	11,415	13,211	12,857
Assistance in special areas ⁴	1,800	1,948	1,385	1,052	1,105	1,157	2,766	1,282	1,518	1,749
Federally affected areas ¹⁸.....	.....	.....	.....	2,937	4,779	9,827	13,812	12,888	6,646	4,257
U.S. overseas and special schools:										
American Printing House for the Blind ⁵	125	125	125	125	125	125	125	125	125	125
Kendall School (Gallaudet College) ⁶	23	23	25	25	26	28	54	66	72	76
War relocation centers ¹⁹.....	.....	.....	.....	.....	2,129	2,214	1,639	326	.....	.....
Territories and dependencies ²⁰.....	.....	.....	.....	.....	10	10	14	11	14	12
Construction:										
Federally affected areas ²¹.....	.....	.....	.....	14,500	14,500	14,500	14,500	14,500	14,500	14,500
District of Columbia schools ²².....	.....	.....	.....	127	58	47	47	27	100	824
Indian schools ²³.....	.....	.....	.....	559	18	.....	.....	.....	1,300	362
Higher education.....	18,051	18,851	22,993	43,850	59,246	48,571	43,236	33,993	37,253	43,205
Construction.....	.....	.....	.....	.....	.....	.....	.....	182	1,378	6,036
Institutional grants:										
Land-grant colleges ⁸	5,030	5,030	5,030	5,030	5,030	5,030	5,030	5,030	5,030	5,030
Howard University ⁹	752	745	747	786	1,064	891	908	1,113	1,657	2,045
Gallaudet College ¹⁰	128	128	118	117	157	154	150	161	176	184
State merchant marine schools ¹¹	100	100	100	1,181	1,962	1,819	1,575	1,584	1,144	978
Agricultural experiment stations ¹²	6,841	7,449	6,863	6,926	6,926	7,001	7,001	7,206	7,206	8,951
Defense training program: Colleges.....	.....	.....	4,475	15,878	20,268	12,708	6,878	.....	.....	.....
Federal schools and training in institutions:										
U.S. service academies ¹³	5,200	5,399	5,660	6,072	7,676	9,281	9,386	9,491	9,047	8,733
U.S. Merchant Marine Academy ²⁴.....	.....	.....	.....	7,860	16,163	8,833	9,327	6,564	4,164	3,162
Coast Guard Academy ²⁵.....	.....	.....	.....	.....	.....	2,854	2,981	2,662	1,549	1,622
Training personnel in civilian institutions ²⁶.....	.....	.....	.....	.....	.....	.....	.....	.....	5,902	6,464
Construction: Howard University ¹⁴.....	.....	.....	.....	.....	.....	.....	.....	182	1,378	6,036
Vocational and adult education ¹⁵	39,744	40,361	98,068	140,429	154,603	100,053	93,536	45,698	49,091	54,594
Vocational-technical training:										
Vocational education: High schools ¹⁶	21,776	21,776	21,776	21,768	21,768	21,768	21,768	21,768	21,768	27,128
Defense vocational training: High schools.....	.....	.....	57,701	99,704	113,878	59,288	48,771	536	.....	.....
Adult education: Agricultural extension service ¹⁷	17,968	18,585	18,591	18,957	18,957	18,997	22,997	23,394	27,323	27,466

See footnotes at end of table.

TABLE 5-2.—Federal expenditures for education, fiscal years, 1929-66—Continued

[In thousands]

Program	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57
Total education	\$138,454	\$156,680	\$180,266	\$307,905	\$429,339	\$418,815	\$485,072	\$475,713	\$540,542
Construction, total	7,424	10,950	10,513	63,037	143,540	124,092	145,061	107,247	87,609
Administrative costs and research	2,397	2,425	2,879	3,843	5,149	3,416	3,506	3,875	5,812
Office of Education ¹	2,397	2,425	2,879	3,843	5,149	3,416	3,506	3,875	4,871
Educational research and development:									
Cooperative research ²⁷									941
Elementary-secondary education	38,468	47,119	65,422	150,876	273,173	262,472	309,236	281,306	291,497
Construction	6,492	5,231	8,751	61,745	142,078	124,031	139,944	102,891	84,676
Support of local schools:									
Shared revenues from public lands ²	9,144	10,688	13,677	16,669	20,822	22,428	25,737	26,470	33,433
Indian education ³	14,752	18,245	22,001	24,417	25,805	26,132	32,901	38,277	42,098
Assistance in special areas ⁴	2,064	6,030	5,914	5,690	8,949	5,942	8,396	7,273	8,358
Federally affected areas ¹⁸	5,854	6,737	13,772	35,941	65,995	70,124	85,251	85,473	97,781
U.S. overseas and special schools:									
American Printing House for the Blind ⁵	125	125	125	125	185	185	215	234	240
Kendall School (Gallaudet College) ⁶	46	51	52	65	81	82	80	89	83
Territories and dependencies ²⁰	11	12	328	333	347	337	291	303	453
Dependents' schools abroad ²⁸			802	5,891	8,911	13,211	16,421	20,296	24,375
Construction:									
Federally affected areas ²¹			2,956	55,495	134,089	112,855	129,256	94,608	75,055
District of Columbia schools ²²	322	538	476	641	128	282	1,057	562	795
Indian schools ²³	4,918	3,048	5,117	3,749	4,312	6,665	4,640	5,605	7,335
Special schools and territories ²⁹	1,232	1,645	202	1,860	3,549	4,229	4,991	2,116	1,491
Higher education	40,742	48,475	52,750	94,839	93,112	94,937	101,798	111,343	155,717
Construction	952	5,719	1,762	1,292	1,462	61	5,117	4,356	2,933
Institutional grants:									
Land-grant colleges ⁸	5,030	5,030	5,030	5,030	5,030	5,052	5,052	5,052	5,052
Howard University ⁹	2,350	2,566	2,500	2,709	2,675	2,535	2,796	2,875	3,300
Gallaudet College ¹⁰	275	303	316	325	332	328	335	450	532
State merchant marine schools ¹¹	1,117	1,053	1,019	646	621	781	597	560	640
Agricultural experiment stations ¹²	9,687	11,006	11,016	11,029	11,041	11,774	15,734	19,550	22,970
Educational exchange program ³⁰				25,223	23,360	23,246	19,768	20,284	18,605
Science education ³¹					7	41	161	316	1,434
Medical education for national defense ³²						75	75	114	240
Federal schools and training in institutions:									
U.S. service academies ¹³	10,434	10,534	13,647	16,431	15,956	15,433	16,351	16,896	23,480
U.S. Merchant Marine Academy ²⁴	3,518	3,289	2,746	2,572	2,129	2,143	1,997	2,185	2,197
Coast Guard Academy ²⁵	1,983	2,046	1,800	2,266	2,565	2,537	2,493	2,857	3,327
Training personnel in civilian institutions ²⁶	5,396	5,626	11,859	15,169	15,772	15,571	15,069	16,696	21,474
Construction:									
Howard University ¹⁴	952	5,719	1,762	1,292	1,372	20	4,858	2,131	386
Gallaudet College ³³					90	41	259	2,225	2,547
Fellowships, traineeships, and training grants ³⁴	1,303	1,055	12,140	12,053	15,240	16,059	18,013	40,019	
Vocational and adult education ¹⁵	56,847	58,661	59,215	58,347	57,905	57,990	70,532	79,189	87,516
Vocational-technical training:									
Vocational education: High schools ¹⁶	26,409	26,623	26,685	25,863	25,366	25,419	30,351	33,180	37,063
Federal correctional institutions ³⁵			389	426	422	441	461	481	530
Adult education:									
Agricultural extension service ¹⁷	30,438	32,038	32,141	32,058	32,117	32,130	39,675	45,475	49,865
Civil defense program ³⁶						45	45	53	58
	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
Total education	\$607,818	\$766,732	\$867,927	\$1,000,539	\$1,089,590	\$1,322,587	\$1,619,504	\$2,446,328	\$4,571,872
Construction, total	96,219	76,601	71,759	64,025	45,288	84,770	54,489	401,029	710,803
Administrative costs and research	7,779	13,487	28,458	26,260	29,637	35,016	48,040	59,294	125,317
Office of Education ¹	5,472	8,229	11,108	9,301	10,158	10,892	13,148	17,291	27,718
Educational research and development:									
Cooperative research ²⁷	2,307	2,681	2,937	3,198	3,725	5,156	11,498	15,840	50,685
Intramural research ³⁷			500	1,100	1,000	1,300	1,600	2,100	2,400
Handicapped children research grants ³⁸							1,000	2,000	6,000
Language development research grants ³⁹	2,392	4,011	1,978	2,000	1,803	1,820	2,549	2,800	
Educational media research grants ⁴⁰	185	3,603	4,272	3,764	3,233	4,998	4,962	4,000	
Course content improvement grants ⁴¹			6,299	6,411	8,990	12,632	13,976	14,552	15,564
Educational research facilities:									
Research facilities and equipment ⁴²									16,150
Elementary-secondary education	324,728	397,185	441,886	482,519	492,719	567,940	634,431	761,280	2,025,356
Construction	94,117	76,192	70,553	59,249	41,884	53,233	21,954	77,000	46,471
Support of local schools:									
Shared revenue from public lands ²	35,080	37,078	40,994	43,905	43,524	44,550	48,600	51,507	54,144
Indian education ³	48,905	59,348	47,133	64,588	54,426	60,876	64,186	87,541	94,325
Assistance in special areas ⁴	8,959	11,344	10,017	15,336	20,760	22,337	22,690	28,808	39,352
Federally affected areas ¹⁸	109,282	138,874	166,661	207,639	226,308	276,737	301,142	330,562	383,822
Acquisition of equipment ⁴³		33,856	49,848	27,410	36,328	30,541	77,549	69,993	79,087
Guidance, counseling program ⁴⁴		7,853	16,846	20,175	19,930	21,672	22,247	20,469	24,463
Science education ⁴⁵			4,527	3,376	3,616	3,901	4,400	3,403	4,000
Economic Opportunity programs ⁴⁶							5,000		
Assistance for educationally deprived children ⁴⁷								5,000	958,811
National Teacher Corps ⁴⁸									6,325

See footnotes at end of table.

TABLE 5-2.—Federal expenditures for education, fiscal years, 1929-66—Continued

[In thousands]

Program	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
Elementary-secondary education—Continued									
U.S. overseas and special schools:									
American Printing House for the Blind ⁵	\$338	\$410	\$410	\$400	\$670	\$739	\$775	\$865	\$1,000
Kendall School (Gallaudet College) ⁶	97	88	106	130	137	166	179	205	199
Territories and dependencies ²⁰	611	2,077	1,025	663	713	3,919	4,036	5,500	6,500
Dependents' schools abroad ²⁸	27,339	29,699	32,766	38,633	40,520	45,289	61,500	73,900	79,100
Construction:									
Federally affected areas ²¹	78,747	76,192	70,553	59,249	41,884	53,233	21,954	77,000	46,471
District of Columbia schools ²²	1,281								
Indian schools ²³	11,741								
Special schools and territories ²⁹	2,348								
Supporting State services:									
State statistical services ⁴⁹		366	1,000	1,015	1,247	1,521	1,807	1,996	2,176
State supervision and administration ⁵⁰					2,656	2,459	3,366	4,531	7,025
School library materials ⁵¹									100,000
Strengthening State education departments ⁵²									16,713
Supplementary educational centers ⁵³									46,128
Higher education.....	185,270	259,764	293,051	381,344	446,043	553,344	701,899	1,219,566	1,876,629
Construction.....	2,102	409	1,206	4,776	3,404	31,537	32,535	324,029	664,332
Institutional grants:									
Land-grant colleges ⁸	5,052	5,052	5,052	7,277	14,519	14,500	14,500	14,500	14,500
Howard University ⁹	3,800								
Gallaudet College ¹⁰	633	5,111	5,415	6,434	8,126	9,248	10,362	11,564	13,594
State merchant marine schools ¹¹	642	692	1,141	1,230	1,217	1,431	1,409	1,511	1,838
Agricultural experiment stations ¹²	23,582	24,446	24,446	31,771	34,724	36,720	38,906	43,942	46,820
Educational exchange program ³⁰	21,402	26,590	22,450	23,155	21,050	19,000	20,600	37,425	50,271
Science education ³¹	13,666	48,219			1,497	10,156	18,089	21,598	48,370
Medical education for national defense ³²	268	405		472	720	776	756	724	724
Language and area centers ⁵⁴									5,080
Strengthening teacher education programs ⁵⁵									5,000
Strengthening developing institutions ⁵⁶									5,000
Undergraduate instructional equipment ⁵⁷									14,872
College library resources ⁵⁸									8,409
Federal schools and training in institutions:									
U.S. service academies ¹³	34,660	38,503	45,976	47,849	52,621	51,327	110,000	118,964	138,999
U.S. Merchant Marine Academy ²⁴	2,407	2,574	2,892	3,310	3,213	3,315	3,495	3,811	4,683
Coast Guard Academy ²⁵	3,875	4,124	4,245	3,726	3,582	4,457	6,301	8,196	10,911
Training personnel in civilian institutions ²⁶	21,735	18,823	18,762	20,363	31,483	31,869	48,000	73,688	81,605
Construction:									
Howard University ¹⁴	412								5,493
Gallaudet College ³³	1,690	409	1,206	4,776	3,404	2,543	2,551	5,873	
Graduate science facilities ⁵⁹						28,994	29,984	21,425	16,217
Higher education facilities ⁶⁰								286,731	525,830
Specialized facilities ⁶¹								10,000	10,000
Health professions teaching facilities ⁶²									106,792
Other student support:									
Indian education ³⁷					243	297	574	1,150	1,400
Scholarships, territories, dependencies ³⁷							435	435	435
Work-study program ⁶³								54,865	99,945
Educational opportunity grants ⁶⁴									59,923
Health professions scholarships ⁶⁵									4,230
Fellowships, traineeships, and training grants ³⁴	51,446	84,353	159,494	227,242	258,795	327,871	389,304	471,356	580,568
Vocational and adult education ¹⁵	90,041	96,296	104,532	110,416	121,191	166,287	235,134	406,188	544,570
Vocational-technical training:									
Vocational education: High schools ¹⁶	38,733	41,399	45,179	47,769	51,762	54,815	56,810	168,190	244,307
Federal correctional institutions ³⁵	593	1,182	1,453	1,691	2,138	2,518	2,885	3,528	3,615
Indian adult training ⁶⁶			3,765	3,500	3,500	6,165	7,736	9,320	11,416
MDTA training ⁶⁷					2,964	37,184	84,703	131,835	147,400
Adult education:									
Agricultural extension service ¹⁷	50,715	53,715	53,715	56,715	59,252	63,008	79,400	85,392	89,216
Civil defense program ³⁶			420	741	1,575	2,597	3,600	3,754	4,200
Adult basic education ⁶⁸								4,169	35,177
University community service programs ⁶⁹									9,239

¹ For all years, includes administrative expenses of vocational education programs. Before 1957, includes small amounts of nonseparable intramural research and development costs. For 1929-43, data on expenditure basis from Bureau of the Budget, *Budget of the United States Government*. Thereafter, data refer to appropriations or expenditures as reported by the Office of Education (OE). Includes transferred funds starting 1949.

² Before 1959, estimated by SSA at 50 percent of Federal payments to States for schools and roads from revenues (as reported in *Annual Reports of the Secretary of the Treasury on the State of the Finances*) from mineral leasing on public lands; national forest reserves; Arizona and New Mexico national forests; Oregon-California land-grant funds; Coos Bay Fund; Taylor Grazing Act; and several other minor funds. Thereafter, data estimated by OE as reported in Bureau of the Census, *Statistical Abstract, 1964*, page 143, and *Digest of Educational Statistics*.

³ Includes education of natives of Alaska. For 1929-41, data on expenditure basis from the *Budget*. For 1942-60, data refer to allotments or expenditures as reported in *Biennial Survey of Education* and *Federal Funds for Education* series; thereafter, to obligations as reported in *Digest of Educational Statistics*. Construction data from same source and on same basis shown separately below for 1942-58. Starting 1960, data for Indian adult and vocational training shown separately below.

⁴ Includes District of Columbia (starting 1934), school expenditures by Tennessee Valley Authority (since 1934 where available), school expenditures for dependents of National Park Service personnel (starting 1949), school assistance at Federal reclamation projects (1949-50), expenditures

for schools on Atomic Energy Commission sites (starting 1950), payments for Cuban refugee school assistance (starting 1961), and food production training in secondary schools for 1945. Expenditures for D.C. reported by OE for 1934, 1936-38, 1940, and 1941 in *Biennial Survey of Education* and *Federal Funds for Education* series. For other years, estimated by SSA, based on OE assumption that 9 to 14 percent of annual expenditures for public educational services in D.C. derived from Federal Treasury. For 1960-64, single figure for all items in this category estimated by SSA; thereafter, as reported in *Digest of Educational Statistics*.

⁵ For 1929-41 and 1961-66, data from appropriations or obligations in the *Budget*. Data for intervening years as reported in *Federal Funds for Education* series.

⁶ Data from appropriations or obligations in the *Budget*.

⁷ Federal allotment for school construction, mainly elementary-secondary schools, as reported in *Federal Funds for Education* series. PWA program was discontinued in 1938 and placed under the Works Progress Administration (WPA). WPA expenditures and other emergency relief expenditures are included in social welfare expenditures series under the "Other public aid" category. See table 5-5 for itemization of emergency relief expenditures for education programs and school construction which are included elsewhere in the social welfare expenditure series.

⁸ Before 1934, data from appropriations in the *Budget*; thereafter, as reported by OE.

⁹ Before 1942, data from appropriations in the *Budget*; thereafter, as reported by OE and combined with Gallaudet College starting 1959.

(continued)

TABLE 5-2.—Federal expenditures for education, fiscal years, 1929-66—Continued

¹⁰ Known as Columbia Institution for the Deaf prior to 1954. Before 1942, data from appropriations in the *Budget*; thereafter, as reported by OE and combined with Howard University starting 1959. Excludes data for Kendall School after 1932, shown separately above. Funds for construction shown separately below, starting 1953. Includes National Technical Institute for the Deaf, starting 1966.

¹¹ Grants to certain States which maintain marine schools. After 1941, includes expenditures for maintenance and repairs of vessels loaned by the U.S. to such schools; for uniforms, textbooks, and subsistence of cadet-midshipmen; and for pay for cadet-midshipmen. Before 1942, data from appropriations in the *Budget*. Thereafter, data refer to expenditures as reported in *Federal Funds for Education* series (1942-59) and in the *Budget* (1960-66).

¹² Includes administrative costs for 1929-40. Before 1936, data from appropriations in the *Budget*. For 1936-40, data represent amounts allotted as reported in *Federal Funds for Education* series; thereafter, obligations from the *Budget*.

¹³ Includes U.S. Military Academy, U.S. Naval Academy, and, starting 1957, U.S. Air Force Academy. Before 1947, includes pay of cadets at U.S. Military Academy. Before 1942, data on expenditure basis from the *Budget*. For 1942-60, data refer to allotments or expenditures as reported in *Biennial Survey of Education* and *Federal Funds for Education* series. Data for 1943 and 1945 estimated (see OE, *Trends in Financing Public Education, 1929-30 to 1959-60*, page 61). Starting 1961, data refer to obligations as reported in *Statistical Abstract, 1965*, page 141, and *Digest of Educational Statistics*.

¹⁴ See footnote 9.

¹⁵ Vocational and adult education programs are almost always conducted in joint-use facilities at existing high schools; therefore, construction costs associated with these programs are included for the most part under elementary-secondary expenditures.

¹⁶ Includes the Smith-Hughes Act of 1917, the George-Barden Act of 1946, title VIII of National Defense Education Act of 1958, the Vocational Education Act of 1963, and the construction program under the Appalachian Regional Development Act of 1965. Before 1935, data from appropriations in the *Budget*. For 1935-63, data refer to allotments or expenditures as reported by OE. Starting 1964, data on obligations basis as reported in *Digest of Educational Statistics* or the *Budget Appendix*.

¹⁷ Before 1936, data from appropriations in the *Budget*. Thereafter, data are reported in *Federal Funds for Education* series and *Digest of Educational Statistics*, except 1959-63 from *Statistical Abstract, 1964*, page 143.

¹⁸ For 1942-46, refers to financial assistance in the maintenance and operation of schools in war-affected localities; program expanded after 1946 to include assistance to all federally affected areas. Before 1964, refers to allotments or disbursements as reported by OE; thereafter, based on obligations. 1960 data from *Annual Report of the Secretary of the Treasury on the State of the Finances, for the Fiscal Year Ended June 30, 1960*, page 652. Construction data from same sources and on same basis shown separately below.

¹⁹ Expenditures for education facilities for children of Japanese ancestry in connection with the War Relocation Centers. Data from *Federal Government Funds for Education, 1944-45 and 1945-46*, page 37.

²⁰ Includes the Virgin Islands (1943-57), Pribilof Islands (starting 1951), Trust Territory of the Pacific Islands (starting 1951), American Samoa (starting 1959), plus certain Pacific islands administered by the Department of Defense. Before 1961, data from *Federal Funds for Education* series. For 1961-64, unpublished data from OE. Data for 1965-66 estimated by SSA. Excludes categorical grants funded by OE, included in other components. Construction data from same sources, but shown separately below for 1949-58.

²¹ Total Federal allotment of \$101,498,093 for the construction of school buildings in war-affected localities under the Lanham Act of 1940, as amended, was prorated among 1942-48. Data from *Federal Government Funds for Education, 1948-49 and 1949-50*, page 22. Starting 1951, refers to Federal disbursements for school construction under Public Law 815, Sect. 30, 1950, and subsequent extensions. See footnote 18.

²² Estimated by SSA, based on OE assumption that 9 to 14 percent of annual expenditures for school construction in D.C. derived from Federal Treasury. Before 1942 and after 1958, construction expenditures combined with general educational services under "Assistance in special areas."

²³ See footnote 3.

²⁴ Includes several Federal merchant marine schools for training of merchant fleet officers before 1954; thereafter, all schools were consolidated at Kings Point, Long Island, N.Y. Before 1961, data on expenditure basis from *Federal Funds for Education* series. For 1961-64, unpublished data from OE; thereafter, on obligations basis from *Digest of Educational Statistics*.

²⁵ Includes tuition for postgraduate and specialized training of personnel for Coast Guard and Treasury. Before 1961, data from *Federal Funds for Education* series. For 1961-64 unpublished data from OE; thereafter, from *Digest of Educational Statistics*.

²⁶ Includes academic training of regular military and ROTC personnel at civilian educational institutions, education for off-duty military personnel, and education of Federal civilian personnel in educational institutions under the Federal Employees Training Act of 1956. Data from *Federal Funds for Education* series and *Digest of Educational Statistics*, except 1959-60 from *Statistical Abstract, 1964*, page 143.

²⁷ For 1958-63, on expenditure basis; thereafter, on obligations basis.

²⁸ Expenditures for the education of children of military personnel and U.S. citizen civilian employees of the Department of Defense in overseas areas. Data from *Federal Funds for Education* series and *Digest of Educational Statistics*, except 1959-63 from *Statistical Abstract, 1964*, page 143.

²⁹ See footnote 20. Includes Federal funds expended for the construction of school facilities under the Alaska public works program, 1950-58.

³⁰ Before 1960, data as reported in *Federal Funds for Education* series. Data for 1960-62 estimated by SSA; thereafter, from *Digest of Educational Statistics*.

³¹ Refers to programs sponsored by National Science Foundation. For 1952-59, includes obligations as reported in *Federal Funds for Education*

series for science institutes program; course content improvement grants; and a number of special projects in science education. Data for these years not available by level of education and therefore classified entirely under higher education; fellowships are, however, identified separately for all years in table 5-6. Starting 1960, data distributed among classifications: "Course content improvement grants" under "Educational research"; "Science education" under elementary-secondary education, "Support of local schools"; "Science education" under higher education, "Institutional grants"; and "Institutes and conferences, NSF" and "Other training grants, NSF" under "Training grants," table 5-6. Starting 1961, limited to special science projects for undergraduate and advanced students, institutional base grants (1961-66), instructional equipment for undergraduate education (1962-66), and science development program (1965-66). Data from 11th through 16th Annual Reports of National Science Foundation, 1961-66 editions.

³² Data for 1953-60 from *Federal Funds for Education* series; thereafter, unpublished data from OE.

³³ See footnote 10.

³⁴ See table 5-6 for detail.

³⁵ Starting 1959, includes general prisoner-education programs. Data from *Federal Funds for Education* series and *Digest of Educational Statistics*, except 1959-60 from *Statistical Abstract, 1964*, page 143.

³⁶ Before 1964, data on expenditure basis; thereafter, on obligations basis in *Digest of Educational Statistics*. Includes only funds transferred to OE from Department of Defense for adult and student instruction in secondary schools.

³⁷ Unpublished data from OE.

³⁸ OE grants under Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963. Data from *Grants-in-Aid and Other Financial Assistance Programs Administered by the U.S. Department of Health, Education, and Welfare*, 1966 edition, page 82.

³⁹ National Defense Education Act, title VI-C. Data from *Grants-in-Aid*, op. cit., page 78.

⁴⁰ National Defense Education Act, title VII. Data for 1959-63 on expenditure basis as reported in *Digest of Educational Statistics*; thereafter, on obligations basis as reported in *Grants-in-Aid*, op. cit., page 79.

⁴¹ Data from 10th through 16th Annual Reports of National Science Foundation, 1960-66 editions. Before 1960, data combined with "Science education" totals under "Higher education."

⁴² Elementary and Secondary Education Act of 1965, title IV.

⁴³ National Defense Education Act, title III-A. Data for 1959-63 on expenditure basis as reported in *Digest of Educational Statistics*; thereafter, on obligations basis. For 1959-61, includes grants to States for supervision and administration and loans to nonprofit private schools under other parts of title III, not separable.

⁴⁴ National Defense Education Act, title V-A. Data for 1959-63 on expenditure basis as reported in *Digest of Educational Statistics*; thereafter, on obligations basis. For 1959-64, includes funds for advanced studies institutes under title V-B; thereafter, such funds are combined with title XI funds appearing under "Fellowships, traineeships, and training grants" (see table 5-6).

⁴⁵ Includes science clubs, exhibits, visiting scientist program, and science education programs for secondary students sponsored by National Science Foundation. Data for 1960-63 from *Statistical Abstract, 1964*, page 143; thereafter from *Digest of Educational Statistics*. Before 1960, data combined with "Science education" totals under "Higher education."

⁴⁶ Refers to "Head-Start" programs. Data from expenditures in the *Budget Appendix*.

⁴⁷ Elementary and Secondary Education Act of 1965, title I.

⁴⁸ Higher Education Act of 1965, title V-B. Data from obligations in the *Budget Appendix*.

⁴⁹ National Defense Education Act, title X. Data for 1959-63 on expenditure basis; thereafter, on obligations basis.

⁵⁰ National Defense Education Act, title III-B. Before 1962, data combined with expenditures under "Acquisition of equipment" shown above. Data for 1962-63 on expenditure basis; thereafter, on obligations basis.

⁵¹ Elementary and Secondary Education Act of 1965, title II.

⁵² Elementary and Secondary Education Act of 1965, title V.

⁵³ Elementary and Secondary Education Act of 1965, title III.

⁵⁴ National Defense Education Act, title VI-A. Includes language institutes and area centers only. Modern foreign language fellowships and language development research grants are shown separately. Data refer to obligations as reported in *Grants-in-Aid*, op. cit., page 141.

⁵⁵ Higher Education Act of 1965, title V-C.

⁵⁶ Higher Education Act of 1965, title III.

⁵⁷ Includes grants for the acquisition of equipment to improve undergraduate instruction under title VI of the Higher Education Act of 1965, and grants for the acquisition of educational television equipment for the use of colleges and universities under the Educational Television Act.

⁵⁸ Includes library assistance grants under title II of the Higher Education Act of 1965.

⁵⁹ Data from 13th to 16th Annual Reports of National Science Foundation, 1963-66 editions.

⁶⁰ OE grants under Higher Education Facilities Act of 1963. Excludes construction loans. Data from obligations in the *Budget Appendix*.

⁶¹ National Aeronautics and Space Administration facility grants to colleges and universities to advance knowledge in the space sciences.

⁶² Public Health Service grants primarily for construction of teaching facilities for medical, dental, and other health personnel and for nurses under the Health Professions Educational Assistance Act of 1963 and Nurse Training Act of 1964.

⁶³ Economic Opportunity Act of 1964, title I-C, and Higher Education Act of 1965, title IV-C. Data from *Grants-in-Aid*, op. cit., page 61.

⁶⁴ Higher Education Act of 1965, title IV-A.

⁶⁵ Public Health Service scholarship grants to students from low-income families under Health Professions Educational Assistance Amendments of 1965.

⁶⁶ Before 1960, data combined with "Indian education" under "Elementary-secondary education."

(continued)

TABLE 5-2.—Federal expenditures for education, fiscal years, 1929-66—Continued

⁶⁷ Represents obligations from sums transferred from Department of Labor appropriations for occupational training in classrooms under the Area Redevelopment Act of 1961 and the Manpower Development and Training Act of 1962. Includes supervision and administration costs, but excludes subsistence allowances payable to trainees which are included under the "Unemployment insurance and employment service" category. Data from *Grants-in-aid*, op. cit., page 157, and *Handbook on Programs of the U.S. Department of Health, Education, and Welfare, 1964-65 Edition: Part II*, page II-45.

⁶⁸ Provides grants administered by OE to assist in establishing adult basic education projects under title II-B of the Economic Opportunity Act of 1964 and title III of Adult Education Act of 1966.

⁶⁹ Higher Education Act of 1965, title I.

Sources: Unless otherwise noted, data are from following Office of Education publications (1966 data partly from the *1968 Budget Appendix*): *Biennial Survey of Education in the United States, Statistical Summary of Education, 1933-34, 1935-36, 1937-38, 1939-40*, and *1941-42*. *Federal*

Grants for Education, 1933-34, Leaflet No. 45, 1935. *Federal Aid for Education: A Brief History, Data for 1934-35, and a Bibliography*, Circular No. 162, 1936. *Federal Aid for Education, 1935-36 and 1936-37, With a Brief History and Bibliography*, Leaflet No. 30, 1938. *Federal Funds for Education, 1937-38*, Leaflet No. 54, 1939; *1938-39 and 1939-40*, Leaflet No. 61, 1941. *Federal Government Funds for Education, 1940-41 and 1941-42*, Leaflet No. 70, 1944; *1942-43 and 1943-44*, Leaflet No. 76, 1945; *1944-45 and 1945-46*, Leaflet No. 77, 1946; *1946-47 and 1947-48*, Leaflet No. 79, 1948; and *1948-49 and 1949-50*, Bulletin 1950, No. 3. *Federal Funds for Education, 1950-51 and 1951-52*, Bulletin 1952, No. 12; *1952-53 and 1953-54*, Bulletin 1954, No. 14; *1954-55 and 1955-56*, Bulletin 1956, No. 5; *1956-57 and 1957-58*, Bulletin 1959, No. 2; *1958-59 and 1959-60*, Bulletin 1961, No. 14; and *Fields, Levels, Recipients, 1959 and 1960*, Circular No. 679, 1962. *Digest of Educational Statistics, 1962 Edition*, Bulletin 1963, No. 10; *1963 Edition*, Bulletin 1963, No. 43; *1964 Edition*, Bulletin 1964, No. 18; *1965 Edition*, Bulletin 1965, No. 4; and *1966 Edition*, 1966. Mimeographed releases, *Federal Funds for Education and Related Activities*, 1961-67 (estimated obligations).

TABLE 5-3.—State and local expenditures for elementary-secondary and vocational adult education and construction, fiscal years, 1929-66

[In thousands]

Fiscal year	Total expenditures for public schools ¹	Less: Revenue receipts from Federal Government ²	State and local expenditure for public schools	Less: School health services ³	Net State and local expenditures			Construction for public schools		
					Total	Elementary-secondary education	Vocational adult education ⁴	Total expenditures ⁵	Less: Federal ⁶	State and local ⁷
1928-29.....	\$2,243,600	\$7,000	\$2,236,600	\$9,400	\$2,227,200	\$2,206,604	\$20,596	\$377,000	.....	\$377,000
1929-30.....	2,316,790	7,334	2,309,456	9,678	2,299,778	2,277,273	22,505	370,878	.....	370,878
1930-31.....	2,245,720	7,798	2,237,922	10,100	2,227,822	2,203,658	24,164	290,937	.....	290,937
1931-32.....	2,174,651	8,262	2,166,389	10,508	2,155,881	2,130,893	24,988	210,996	.....	210,996
1932-33.....	1,947,378	14,905	1,932,473	9,900	1,922,573	1,900,174	22,399	135,136	.....	135,136
1933-34.....	1,720,105	21,548	1,698,557	9,271	1,689,286	1,668,049	21,237	59,277	.....	59,277
1934-35.....	1,844,502	15,699	1,828,803	10,000	1,818,803	1,798,885	19,918	115,299	.....	115,299
1935-36.....	1,968,898	9,850	1,959,048	10,604	1,948,444	1,924,765	23,679	171,322	.....	171,322
1936-37.....	2,101,004	18,193	2,082,811	12,100	2,070,711	2,044,325	26,386	205,088	.....	205,088
1937-38.....	2,233,110	26,535	2,206,575	13,478	2,193,097	2,165,840	27,257	238,853	.....	238,853
1938-39.....	2,288,579	33,173	2,255,406	15,000	2,240,406	2,207,172	33,234	248,414	.....	248,414
1939-40.....	2,344,049	39,810	2,304,239	16,400	2,287,839	2,252,762	35,077	257,974	.....	257,974
1940-41.....	2,333,373	37,058	2,296,315	17,800	2,278,515	2,241,356	37,159	197,763	.....	197,763
1941-42.....	2,322,698	34,305	2,288,393	19,236	2,269,157	2,230,892	38,265	137,552	\$14,500	123,052
1942-43.....	2,387,639	35,095	2,352,544	20,600	2,331,944	2,288,762	43,182	95,704	14,500	81,204
1943-44.....	2,452,581	35,886	2,416,695	21,923	2,394,772	2,350,431	44,341	53,856	14,500	39,356
1944-45.....	2,679,734	38,632	2,641,102	23,300	2,617,802	2,572,165	45,637	82,451	14,500	67,951
1945-46.....	2,906,886	41,378	2,865,508	24,617	2,840,891	2,788,712	52,179	111,046	14,500	96,546
1946-47.....	3,609,031	84,714	3,524,317	24,700	3,499,617	3,437,452	62,165	261,757	14,500	247,257
1947-48.....	4,311,176	120,270	4,190,906	24,748	4,166,158	4,089,019	77,139	412,467	14,500	397,967
1948-49.....	5,074,410	106,927	4,967,483	27,700	4,939,783	4,851,061	88,722	713,322	.....	713,322
1949-50.....	5,837,643	155,849	5,681,794	30,599	5,651,195	5,549,100	102,095	1,014,176	.....	1,014,176
1950-51.....	6,590,940	184,579	6,406,361	31,200	6,375,161	6,264,492	110,669	1,245,754	2,956	1,242,798
1951-52.....	7,344,237	227,711	7,116,526	31,791	7,084,735	6,964,132	120,603	1,477,332	55,495	1,421,837
1952-53.....	8,218,343	291,474	7,926,869	45,100	7,881,769	7,761,184	120,585	1,766,255	134,089	1,632,166
1953-54.....	9,092,449	355,237	8,737,212	58,269	8,678,943	8,553,073	125,870	2,055,178	112,855	1,942,323
1954-55.....	10,023,748	398,340	9,625,408	65,900	9,559,508	9,425,098	134,410	2,221,183	129,256	2,091,927
1955-56.....	10,955,047	441,442	10,513,605	73,435	10,440,170	10,297,465	142,705	2,387,187	94,608	2,292,579
1956-57.....	12,262,105	463,963	11,798,142	79,500	11,718,642	11,564,979	153,663	2,619,967	75,055	2,544,912
1957-58.....	13,569,163	486,484	13,082,679	85,574	12,997,105	12,826,090	171,015	2,852,747	78,747	2,774,000
1958-59.....	14,591,209	569,062	14,022,147	93,300	13,928,847	13,741,931	186,916	2,757,264	76,192	2,681,072
1959-60.....	15,613,255	651,539	14,961,616	100,993	14,860,623	14,667,124	193,499	2,661,786	70,553	2,591,233
1960-61.....	16,993,297	706,307	16,286,990	115,000	16,171,990	15,965,926	206,064	2,761,970	59,249	2,702,721
1961-62.....	18,373,339	760,975	17,612,364	129,007	17,483,357	17,250,847	232,510	2,862,152	41,884	2,820,269
1962-63.....	19,543,692	813,400	18,730,292	128,400	18,601,892	18,347,574	254,318	2,920,065	53,233	2,866,832
1963-64.....	21,324,993	865,824	20,459,169	127,737	20,331,432	20,053,673	277,759	2,977,976	21,954	2,956,022
1964-65.....	23,106,854	936,000	22,170,854	132,000	22,038,854	21,592,618	446,236	3,266,968	77,000	3,189,968
1965-66.....	25,801,995	2,114,995	23,687,000	135,000	23,552,000	23,029,500	522,500	3,449,859	46,471	3,403,388

¹ Includes construction and vocational education expenditures. Starting 1956, excludes expenditures for school facilities by State and local housing authorities and other nonschool agencies (\$322 million in 1966). Data from Department of Health, Education and Welfare, Office of Education, *Trends in Financing Public Education, 1929-30 to 1959-60*, page 84; *Statistics of State School Systems, 1963-64*, table H, and *Digest of Educational Statistics, 1963*, table 34; *1965*, table 40, and *1966*, table 66. Basic source is Office of Education, *Biennial Survey of Education in the United States*. Data for the odd-numbered years have for the most part been compiled through average of preceding and following years or by interpolation. Includes Alaska and Hawaii, beginning 1960.

² Data from *Trends in Financing Public Education, 1929-30 to 1959-60*, page 38; and *Digest of Educational Statistics, 1966*, table 65. Basic source is Office of Education, *Biennial Survey of Education in the United States*. Data for the odd-numbered years have for the most part been compiled through average of preceding and following years or by interpolation. 1966 data estimated by Office of Education. Includes Alaska and Hawaii, beginning 1960.

³ Basic source is *Biennial Survey of Education in the United States, Statistics of State School Systems*. See table 3-7.

⁴ Office of Education, *Digest of Annual Reports of State Boards for Vocational Education to the Office of Education, Division of Vocational Education, Fiscal Year ended June 30, 1962*, table 7; *A Review of Activities in Federally-Aided Programs, Vocational and Technical Education, Fiscal Year 1964*, table 6; and *Digest of Educational Statistics, 1966*, table 72. Data for 1966 estimated. Includes outlying areas for all years.

⁵ Refers to capital outlay expenditures and includes, in addition to construction costs, expenditures for land acquisition and purchase of equipment. Includes vocational education construction expenditures, not available separately. *Trends in Financing Public Education, 1929-30 to 1959-60*, page 106; *Statistics of State School Systems, 1963-64*, table H; and *Digest of Educational Statistics, 1965*, table 40, and *1966*, table 66. Basic source is Office of Education, *Biennial Survey of Education in the United States*. Data for the odd-numbered years have for the most part been compiled through average of preceding and following years or by interpolation. Starting 1956, excludes expenditures for school facilities by State and local housing authorities and other nonschool agencies. Includes Alaska and Hawaii, beginning 1960.

⁶ Refers to Federal funds for school construction in federally affected areas. From table 5-2.

⁷ Included in expenditures shown in column 1.

TABLE 5-4.—State and local expenditures for higher education, fiscal years, 1929-66

[In thousands]

Fiscal year	Total higher education ¹		Current operations ¹		Plant expansion ¹	
	Total	Plant expansion (construction)	State government	Local government	State government	Local government
1928-29.	\$170,000					
1929-30.	182,956	\$30,621	2 \$152,335	(2)	2 \$30,621	(2)
1930-31.	166,478					
1931-32 ² .	4 150,000					
1932-33.	140,726					
1933-34 ³ .	131,451	13,900	2 117,551	(2)	2 5 13,900	(2)
1934-35.	136,043					
1935-36 ³ .	4 140,635					
1936-37.	161,543					
1937-38 ³ .	182,450	19,400	140,959	\$ 22,091	2 5 19,400	(2)
1938-39.	190,586	20,020				
1939-40.	198,722	20,640	153,690	24,392	18,486	\$ 2,154
1940-41.	202,940	17,105				
1941-42 ³ .	207,158	13,569	166,532	27,057	12,450	1,119
1942-43.	210,038	12,435				
1943-44 ³ .	212,918	11,300	175,169	26,449	2 5 11,300	(2)
1944-45.	271,197	42,305				
1945-46 ³ .	329,476	73,310	225,161	31,005	71,492	1,818
1946-47.	459,949	129,155				
1947-48.	590,421	185,000	357,900	47,521	2 5 185,000	(2)
1948-49.	728,348	244,804				
1949-50.	866,274	304,607	500,289	61,378	285,234	19,373
1950-51.	859,656	232,522				
1951-52.	853,038	160,437	620,588	72,013	144,362	16,075
1952-53.	919,823	153,645				
1953-54.	986,607	146,853	751,556	88,198	132,897	13,956
1954-55.	1,112,576	193,450				
1955-56.	1,238,545	240,046	891,600	106,899	222,751	17,295
1956-57.	1,473,128	330,116				
1957-58.	1,707,711	421,785	1,156,537	129,389	376,331	45,454
1958-59.	1,802,701	389,245				
1959-60.	1,897,691	356,705	1,389,271	151,715	320,401	36,304
1960-61.	2,164,679	454,049				
1961-62.	2,431,666	551,392	1,689,086	191,188	515,897	35,495
1962-63.	2,746,217	622,280				
1963-64.	3,038,073	670,473	2,138,600	229,000	6 630,473	6 40,000
1964-65.	3,565,000	905,000				
1965-66.	4,443,000	1,150,000				

¹ In order to get continuous and consistent series for State and local sector back to 1929, expenditure series is based on current-fund income and plant-fund receipts (for expansion) of higher institutions as reported by Office of Education for even-numbered years. Data for odd-numbered years, presented only for totals, estimated by averaging preceding and following years or by interpolation.

² Data not available separately for State and local governments.

³ Continental United States only.

⁴ Estimated, as published data for these years not comparable to other years. See *Biennial Survey of Education in the United States: 1934-36*, Chapter I, Volume II, *Statistical Summary of Education 1935-36*, table 21, page 27.

⁵ Estimated on basis that State and local governments accounted for one-third of total plant-fund receipts by higher institutions in the 1930's and roughly one-half in the 1940's.

⁶ 50 States and D.C. Unpublished data, Office of Education.

Source: Data for 1930 (plant-fund receipts), 1934, and 1938 from Department of Commerce, Bureau of the Census, *Historical Statistics of the United States, Colonial Times to 1957*, Series H 339-350 and H 372-382, pages 212-213. Department of Health, Education, and Welfare, Office of Education: data for 1930 (current-fund income), 1940, and 1962-64 from *Digest of Educational Statistics, 1966*; 1942-46 from *Biennial Survey of Education in the United States—1952-54*, Chapter 4, Section II, *Statistics of Higher Education: Receipts, Expenditures, and Property, 1953-54*, table II; and 1948-60 from *Financial Statistics of Institutions of Higher Education, 1959-60: Receipts, Expenditures, and Property*, Circular No. 744, table 2, page 6. Data for 1966 are estimated.

TABLE 5-5.—Emergency funds for education,¹ fiscal years, 1934-43

[In thousands]

Program	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43
Total emergency funds for education ²	\$175,588	\$44,329	\$57,081	\$75,317	\$53,620	\$121,594	\$98,455	\$94,743	\$60,813	\$5,829
Construction ²	150,000									
Education projects.....	25,588	44,329	57,081	75,317	53,620	59,964	56,332	54,768	34,966	5,829
Construction:										
Civil Works Administration (CWA): School buildings ³	150,000									
Public Works Administration (PWA) ⁴	53,274	57,984	683,716	683,716	117,030					
Elementary-secondary school buildings.....	35,413	5,453	71,546	71,546	90,174					
Higher education school buildings.....	6,904	1,263	9,620	9,620	22,810					
Other educational institutions.....		373	1,720	1,720	2,079					
Construction at Federal educational institutions.....	10,957	895	830	830	1,966					
Work Projects Administration (WPA):										
School buildings.....						61,630	42,123	39,975	25,847	
Education projects:										
WPA:										
Education programs ⁶	21,391	29,466	28,748	42,605	34,529	37,981	28,243	27,233	18,786	.....
Student aid (NYA).....	3,380	11,543	24,062	27,999	19,091	21,983	28,089	27,535	16,180	5,829
High school students.....	3,380	11,543	9,607	11,862	8,549	9,954	13,712	13,365	6,943	2,019
College students.....				14,455	16,137	10,542	12,029	14,377	14,170	9,237
Emergency school for Civilian Conservation Corps enrollees ⁷	817	3,320	4,271	4,713						

¹ Except for PWA, all emergency funds for education are classified in the social welfare expenditure series under "Other public aid" rather than "Education."

² Excludes funds for the PWA program that are included in the "Education" component.

³ Indicates total amount appropriated; program reorganized in March 1934 and construction projects were liquidated under the Federal Emergency Relief Administration (FERA).

⁴ PWA data included to give complete picture, but not added in totals. Excludes all loans and grants for the construction of public libraries; PWA program was transferred in 1938 and placed under the WPA starting with 1939.

⁵ 1935 figure represents difference between cumulative total as of June 30, 1935, and 1934 total. Figures for 1936 and 1937 represent 50 percent of the difference between cumulative total as of June 30, 1937, and cumulative total as of June 30, 1935.

⁶ Program initially administered by FERA; a reorganization during 1935 and 1936 placed program under WPA. Although a breakdown of the data are not available separately, expenditures were made for the following education programs: Basic adult literacy; vocational training for unemployed adults; vocational rehabilitation; general adult and vocational education; a preschool program for children of the needy; and teacher support in rural areas.

⁷ Includes primarily funds for adult education, and also an indeterminate amount for vocational education.

Source: Department of Health, Education, and Welfare, Office of Education, *Federal Funds for Education* series.

TABLE 5-6.—Fellowships, traineeships, and training grants, fiscal years, 1950-66

[In thousands]

Program	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59
Total, all programs.....	\$1,303	\$1,055	\$12,140	\$12,053	\$15,240	\$16,059	\$18,013	\$40,019	\$51,446	\$84,353
Fellowships and traineeships:										
National Institutes of Health, PHS.....	1,303	1,055	1,720	2,014	2,132	2,558	2,788	5,416	6,434	10,154
Nuclear, AEC.....			1,126	696	270	229	216	413	620	925
Science, NSF.....			1,533	1,366	1,866	1,784	2,131	3,354	5,602	13,071
Training grants: National Institutes of Health, PHS.....			7,761	7,977	10,972	11,488	12,878	30,836	38,790	60,203
	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66			
Total, all programs.....	\$159,494	\$227,242	\$258,795	\$327,871	\$380,304	\$471,356	\$580,568			
Fellowships and traineeships:										
Teachers of handicapped, OE ¹	308	813	916	2,337	11,369	11,562	17,749			
Modern foreign language fellowships, NDEA, title VI ²	1,585	2,773	3,918	3,517	3,600	5,506	6,120			
Graduate fellowships, NDEA, title IV.....	4,620	11,451	17,313	20,702	21,197	31,359	55,824			
Foreign language and area studies, OE ³						1,500	1,500	2,000		
Elementary-secondary teacher fellowships, OE ⁴									14,992	
Librarian training, OE ⁵										899
National Institutes of Health, PHS.....	16,863	24,877	26,793	35,805	44,914	50,372	59,330			
Other fellowships and traineeships, PHS ⁶	9,493	10,275	9,872	14,901	15,052	14,342	17,315			
Water supply and pollution control, WPCA ⁷			98	280	474	617	710			
Nuclear, AEC.....	919	1,134	1,302	1,598	1,668	2,329	3,355			
Science, NSF ⁸	13,391	13,119	16,800	21,678	30,105	40,224	44,485			
Fisheries scientist, Interior.....		6	165	195	200	200	195			
Traineeship program, National Aeronautics Space Administration.....				2,000	15,424	21,208	26,558	25,280		
Training grants:										
Teacher training institutes, NDEA, title XI ⁹	3,320	7,244	7,250	7,250	7,447	36,888	42,147			
Cuban refugee assistance, OE/WA.....					755	620	400			
Teachers of handicapped, OE ¹⁰					1,496	2,622	2,287			
Civil rights institutes, OE.....						3,000	3,413			
Other institutes, OE.....							3,000			
National Institutes of Health, PHS.....	65,299	108,378	115,856	140,639	158,601	172,327	209,699			
Other training grants, PHS ¹¹	4,702	5,462	7,876	9,886	11,280	10,283	10,867			
Water supply and pollution control, WPCA ⁷				1,100	2,000	2,000	2,500			
Institutes and conferences, NSF ⁸	33,775	34,500	40,876	41,804	43,247	43,196	41,413			
Other training grants, NSF ¹²	5,219	6,035	6,747	8,438	9,767	9,483	9,800			
Faculty training institutes, AEC.....		1,175	1,013	1,223	1,635	790	481			
Child welfare, WA ¹³				147	1,039	3,578	4,307			
Juvenile delinquency, WA.....					947	750	2,000			

¹ Public Law 85-926, as amended. Data for 1960-63 on expenditure basis.² Data from 1966 edition of *Grants-in-Aid and Other Financial Assistance Programs Administered by the U.S. Department of Health, Education, and Welfare*, page 99.³ Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays Act).⁴ Higher Education Act of 1965, title V-C.⁵ Higher Education Act of 1965, title II-B.⁶ Includes air pollution control fellowships, community health research fellowships, community health traineeships, injury control fellowships, National Library of Medicine fellowships, neurological and sensory traineeships, nursing research fellowships, and nursing traineeships.⁷ Federal Water Pollution Control Administration established in 1965; previously under Public Health Service.⁸ Data from 10th through 16th Annual Reports of National Science Foundation, 1960-66 editions.⁹ Includes NDEA title VI-B only until 1965, when all NDEA institute programs were merged under title XI. Data for 1960-63 from 1966 edition of *Grants-in-Aid*, op. cit., page 126.¹⁰ Public Law 85-926, as amended.¹¹ Includes air pollution control training grants, chronic diseases and health of the aged training grants, community health research training grants, dental research training grants, environmental health training grants, injury control training grants, National Library of Medicine training grants, nurse research training grants, radiological health training grants, and sanitation engineering training grants.¹² Data for 1960-65 from 10th through 15th Annual Reports of National Science Foundation, 1960-65 editions.¹³ Data from Children's Bureau, Welfare Administration.Source: Unless otherwise noted, data from Department of Health, Education, and Welfare, Office of Education, *Federal Funds for Education, 1958-59 and 1959-60*, Bulletin 1961, No. 14, pages 97, 198, and 222; *Digest of Educational Statistics*, annual editions, 1962-66; mimeographed releases of Office of Education, *Federal Funds for Education and Related Activities*, annual editions; and unpublished data from Office of Education. Data on obligations basis, except where otherwise noted.

TABLE 6-1.—Housing: Summary of expenditures, fiscal years, 1934–66

[In millions]

Fiscal year	Total expenditures	Federal		Fiscal year	Total expenditures	Federal			State and local
		Total	Public housing			Total	Public housing	Other housing programs	
1933–34.....	\$0.4	\$0.4	\$0.4	1949–50.....	\$14.6	\$14.6	\$14.5	\$0.1	.....
1934–35.....	13.2	13.2	13.2	1950–51.....	35.0	21.6	21.4	.1	\$13.4
1935–36.....	41.7	41.7	41.7	1951–52.....	37.1	25.1	25.0	.1	12.0
1936–37.....	3.1	3.1	3.1	1952–53.....	50.6	37.9	37.9	.1	12.7
1937–38.....	3.9	3.9	3.9	1953–54.....	67.4	53.8	53.8	.....	13.7
1938–39.....	3.4	3.4	3.4	1954–55.....	89.3	74.7	74.7	.....	14.6
1939–40.....	4.2	4.2	4.2	1955–56.....	111.7	92.0	92.0	.....	19.7
1940–41.....	8.9	8.9	8.9	1956–57.....	120.2	101.2	101.2	.....	19.0
1941–42.....	14.3	14.3	14.3	1957–58.....	134.2	110.6	110.6	.....	23.7
1942–43.....	13.6	13.6	13.6	1958–59.....	156.2	127.8	127.8	.....	28.4
1943–44.....	13.3	13.3	13.3	1959–60.....	176.8	143.5	143.5	.....	33.2
1944–45.....	11.1	11.1	11.1	1960–61.....	196.1	159.2	159.2	.....	36.9
1945–46.....	158.7	158.7	158.7	1961–62.....	216.6	173.4	173.3	.1	43.2
1946–47.....	280.9	280.9	280.9	1962–63.....	248.1	192.6	191.4	1.2	55.5
1947–48.....	27.3	27.3	27.3	1963–64.....	277.7	212.1	206.5	5.6	65.6
1948–49.....	7.7	7.7	7.7	1964–65.....	318.1	238.2	234.5	3.6	80.0
				1965–66.....	334.8	250.8	249.2	1.6	84.1

Source: Department of Housing and Urban Development; Bureau of the Budget, *Budget of the United States Government*; and Bureau of the

Census, annual issues, *Compendium of State Government Finances*.

TABLE 6-2.—Federal expenditures for housing, fiscal years, 1934–66

[In thousands]

Fiscal year	Total expenditures	Total program and administration	Public housing						Other housing programs			
			Program						Total ⁴	Low-income demonstration grants	Rent supplements	Rural housing ⁶
			Total	Annual contributions ¹	Federally owned projects	Public works projects ²	Veterans' re-use housing	Administration ³				
1933-34.....	\$360	\$360	\$360	.....	.....	.....	.....	.....	.....	.....	.....	.....
1934-35.....	13,200	13,200	13,200	.....	.....	.....	.....	.....	.....	.....	.....	.....
1935-36.....	41,700	41,700	41,700	.....	.....	.....	.....	.....	41,700	.....	.....	.....
1936-37.....	3,140	3,140	2,340	.....	.....	.....	.....	.....	2,340	\$800	.....	.....
1937-38.....	3,900	3,900	2,400	.....	.....	.....	.....	.....	2,400	1,500	.....	.....
1938-39.....	3,400	3,400	.....	.....	.....	.....	.....	.....	.....	3,400	.....	.....
1939-40.....	4,200	4,200	.....	.....	.....	.....	.....	.....	.....	4,200	.....	.....
1940-41.....	8,868	8,868	4,747	\$4,747	.....	.....	.....	.....	.....	4,121	.....	.....
1941-42.....	14,252	14,252	9,926	9,926	.....	.....	.....	.....	.....	4,326	.....	.....
1942-43.....	13,604	13,604	9,883	9,883	.....	.....	.....	.....	.....	3,721	.....	.....
1943-44.....	13,295	13,295	10,130	10,130	.....	.....	.....	.....	.....	3,165	.....	.....
1944-45.....	11,062	11,062	8,722	8,722	.....	.....	.....	.....	.....	2,340	.....	.....
1945-46.....	158,723	158,723	156,837	7,137	.....	.....	.....	.....	\$149,700	1,886	.....	.....
1946-47.....	280,948	280,948	277,167	5,667	.....	.....	.....	.....	271,500	3,781	.....	.....
1947-48.....	27,314	27,314	25,114	3,335	.....	.....	.....	.....	21,300	2,200	.....	.....
1948-49.....	7,746	7,746	5,129	3,384	.....	.....	.....	.....	1,745	2,617	.....	.....
1949-50.....	14,597	14,597	8,222	5,738	.....	.....	.....	.....	2,484	6,285	.....	.....
1950-51.....	21,562	21,441	11,767	9,129	.....	.....	.....	.....	2,638	9,674	\$90	121
1951-52.....	25,137	25,036	15,716	12,566	.....	.....	.....	.....	3,150	9,320	121	191
1952-53.....	37,925	37,869	29,711	25,881	.....	.....	.....	.....	3,830	8,158	56	56
1953-54.....	53,787	53,787	47,159	44,474	.....	.....	.....	.....	2,685	6,628	.....	.....
1954-55.....	74,690	74,690	67,277	66,593	.....	.....	.....	.....	684	7,413	.....	.....
1955-56.....	91,950	91,950	82,787	81,730	.....	.....	.....	.....	1,057	9,163	.....	.....
1956-57.....	101,249	101,249	91,252	90,635	.....	.....	.....	.....	617	9,997	.....	.....
1957-58.....	110,569	110,569	98,977	98,791	.....	.....	.....	.....	186	11,592	.....	.....
1958-59.....	127,793	127,793	115,488	115,367	.....	.....	.....	.....	121	12,305	.....	.....
1959-60.....	143,541	143,541	131,249	131,188	.....	.....	.....	.....	61	12,292	.....	.....
1960-61.....	159,217	159,217	145,403	145,318	.....	.....	.....	.....	85	13,814	.....	.....
1961-62.....	173,401	173,332	159,550	159,374	\$2,396	176	.....	.....	176	13,782	69	69
1962-63.....	192,588	191,412	176,492	176,419	4,483	73	.....	.....	73	14,920	1,176	\$146
1963-64.....	212,086	206,478	190,953	190,825	4,441	128	.....	.....	128	15,525	5,608	803
1964-65.....	238,178	234,530	218,275	218,003	5,262	272	.....	.....	272	16,255	3,648	1,330
1965-66.....	250,786	249,199	231,833	231,695	4,917	138	.....	.....	138	17,366	1,587	1,337
											\$252	-2

¹ Data from Bureau of the Budget, *Budget of the United States Government and Budget Appendix*. 1941-53 data from a report of the President's Advisory Committee on Government Housing Policies and Programs, *Recommendations on Government Housing Policies and Programs*, December 1953, page 311.

² Expenditures of \$60,000,000 for 51 PWA housing projects allocated to 1934-38 on basis of distribution of total obligations of \$146,900,000 reported for these years in the *Budget* under the category P.W.A., Housing Division, Federal Emergency Administration of Public Works.

³ Refers to low-rent public housing administrative costs.

⁴ Administrative costs not shown separately.

⁵ Data from the *Budget*. Includes administrative costs.

⁶ Data from the *Budget*; and Department of Agriculture, Farmers Home Administration. Data for 1950 and 1962-64 represent obligations.

Source: Department of Housing and Urban Development, except where otherwise noted.

TABLE 6-3.—State and local expenditures for housing, fiscal years, 1951-66

[In thousands]

Fiscal year	Amount ¹	Fiscal year	Amount ¹	Fiscal year	Amount ¹
1950-51.....	\$13,411	1955-56.....	.....	1960-61.....	.....
1951-52.....	11,989	1956-57.....	18,959	1961-62.....	43,229
1952-53.....	12,710	1957-58.....	23,664	1962-63.....	55,471
1953-54.....	13,653	1958-59.....	28,442	1963-64.....	65,571
1954-55.....	14,606	1959-60.....	33,239	1964-65.....	79,957
				1965-66.....	84,053

¹ Includes expenditures for urban renewal and community development, not separable.

Source: Bureau of the Census, annual issues, *Compendium of State Government Finances*.

TABLE 7-1.—Other social welfare: Summary of expenditures, fiscal years, 1929–66

[In millions]

Program	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41
<i>Total</i>													
Total other social welfare.....	\$76.2	\$77.5	\$78.8	\$80.9	\$88.8	\$95.8	\$99.0	\$100.5	\$105.4	\$108.2	\$113.8	\$116.4	\$136.4
Vocational rehabilitation.....	1.6	1.8	2.1	2.3	2.2	2.1	2.3	2.7	3.4	4.0	4.1	4.2	4.8
Medical services.....	.1	.1	.2	.2	.2	.2	.2	.3	.5	.4	.3	.3	.3
Institutional care.....	74.7	75.7	76.7	78.7	86.6	93.7	70.7	71.5	66.4	56.1	62.0	62.4	72.0
School meals.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4.0	13.7
Child welfare.....	.....	.....	.....	.....	.....	.....	26.0	26.1	35.4	47.6	46.4	45.0	43.6
Social welfare, not elsewhere classified.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.9	2.3
<i>Federal</i>													
Total other social welfare.....	1.4	1.5	1.7	1.7	1.7	1.6	1.7	3.2	4.1	5.0	6.9	10.9	22.0
Vocational rehabilitation.....	.7	.8	1.0	1.1	1.1	1.0	1.1	1.3	1.6	1.9	1.9	2.1	2.4
Medical services.....	.1	.1	.1	.1	.1	.1	.1	.2	.2	.2	.2	.1	.2
Institutional care.....	.7	.7	.7	.7	.6	.7	.7	1.5	1.4	1.1	2.0	2.4	2.0
School meals.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4.0	13.7
Child welfare.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.6	1.6
Social welfare, not elsewhere classified.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.9	2.3
<i>State and local</i>													
Total other social welfare.....	74.8	76.0	77.1	79.2	87.2	94.2	97.2	97.4	101.3	103.3	107.0	105.5	114.4
Vocational rehabilitation.....	.8	1.0	1.1	1.2	1.2	1.2	1.2	1.4	1.8	2.1	2.2	2.1	2.4
Medical services.....	.1	.1	.1	.1	.1	.1	.1	.2	.2	.2	.2	.1	.2
Institutional care.....	74.0	75.0	76.0	78.0	86.0	93.0	70.0	70.0	65.0	55.0	60.0	60.0	70.0
Child welfare.....	.....	.....	.....	.....	.....	.....	26.0	26.0	34.5	46.2	44.8	43.4	42.0
	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54
<i>Total</i>													
Total other social welfare.....	\$153.9	\$158.6	\$181.6	\$197.9	\$232.7	\$315.6	\$368.8	\$395.9	\$447.7	\$461.9	\$451.0	\$503.0	\$612.1
Vocational rehabilitation.....	5.3	5.7	6.6	10.2	14.2	20.0	25.1	26.5	30.0	31.0	33.4	23.3	36.7
Medical services.....	.4	.6	.8	1.4	2.2	3.5	5.2	6.2	7.4	7.8	8.7	8.9	8.7
Institutional care.....	77.8	78.9	86.4	82.9	98.0	114.2	125.6	130.7	145.5	150.4	144.4	149.3	202.6
School meals.....	23.3	23.4	34.4	47.4	57.1	100.3	117.1	131.8	160.2	166.0	154.2	191.9	240.3
Child welfare.....	42.1	46.2	50.2	55.5	60.7	79.3	98.5	101.9	104.9	108.4	113.4	120.5	126.2
Social welfare, not elsewhere classified.....	5.3	4.5	4.1	2.0	2.7	1.8	2.5	5.0	7.1	6.0	5.5	6.0	6.3
<i>Federal</i>													
Total other social welfare.....	35.8	36.2	55.6	66.1	74.5	102.5	127.6	139.8	174.0	172.7	144.9	191.3	267.0
Vocational rehabilitation.....	2.7	2.9	4.2	7.5	10.5	14.9	18.3	18.8	21.0	21.7	22.8	23.6	23.6
Medical services.....	.2	.3	.5	1.0	1.6	2.6	3.7	4.4	5.1	5.4	5.9	5.8	5.4
Institutional care.....	2.8	3.9	11.4	7.9	3.0	4.2	15.6	15.7	20.5	20.4	9.4	19.3	52.6
School meals.....	23.3	23.4	34.4	47.4	57.1	79.6	88.0	96.4	121.2	119.6	99.8	134.7	177.3
Child welfare.....	1.6	1.6	1.5	1.4	1.3	1.9	3.2	3.9	4.2	5.0	7.3	7.6	7.2
Social welfare, not elsewhere classified.....	5.3	4.5	4.1	2.0	2.7	1.8	2.5	5.0	7.1	6.0	5.5	6.0	6.3
<i>State and local</i>													
Total other social welfare.....	118.1	122.5	126.0	131.8	158.1	213.1	241.2	256.0	273.7	289.1	306.1	311.7	345.1
Vocational rehabilitation.....	2.6	2.9	2.3	2.7	3.7	5.1	6.9	7.6	9.0	9.3	10.6	11.6	13.1
Medical services.....	.2	.3	.3	.4	.6	.9	1.5	1.8	2.3	2.4	2.8	3.0	3.3
Institutional care.....	75.0	75.0	75.0	75.0	95.0	110.0	110.0	115.0	125.0	130.0	135.0	130.0	150.0
School meals.....	40.5	44.6	48.7	54.1	59.4	77.4	95.3	98.0	100.7	103.4	106.1	112.9	119.0

TABLE 7-1.—Other social welfare: Summary of expenditures, fiscal years, 1929-66—Continued

[In millions]

Program	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
<i>Total</i>												
Total other social welfare.....	\$619.0	\$735.4	\$823.0	\$920.4	\$1,009.6	\$1,139.4	\$1,342.8	\$1,414.5	\$1,593.4	\$1,746.0	\$2,062.4	\$2,343.8
Vocational rehabilitation.....	42.4	56.3	66.5	77.8	86.9	96.3	109.0	128.6	148.5	182.4	210.5	298.6
Medical services.....	9.1	11.0	12.7	15.0	16.7	17.7	20.4	22.5	26.0	31.2	34.2	48.0
Medical research.....	.3	1.2	2.1	3.7	4.7	6.6	8.7	11.0	12.8	20.3	22.4	27.9
Institutional care.....	195.3	231.6	224.9	332.0	358.7	420.5	589.6	549.8	669.1	692.5	784.4	766.7
School meals.....	239.6	294.4	364.0	325.4	368.4	398.7	405.5	463.7	479.8	521.6	617.4	537.4
Child welfare.....	135.1	145.6	159.7	176.4	184.8	211.5	224.5	246.6	268.8	314.6	356.1	399.5
Special OEO programs.....											51.7	287.3
Social welfare, not elsewhere classified.....	6.5	7.5	7.9	8.8	10.7	12.4	14.1	25.7	27.2	34.9	42.3	54.2
<i>Federal</i>												
Total other social welfare.....	251.7	326.6	381.3	349.0	392.0	416.7	451.1	529.9	571.1	650.4	813.7	1,039.7
Vocational rehabilitation.....	27.1	36.4	43.1	51.5	57.4	64.3	72.7	86.1	100.0	124.3	143.3	218.0
Medical services.....	5.7	6.8	7.9	9.4	10.5	11.2	12.9	14.2	16.1	19.3	21.2	32.4
Medical research.....	.3	1.2	2.1	3.7	4.7	6.6	8.7	11.0	12.8	20.3	22.4	27.9
Institutional care.....	40.3	46.6	29.9	37.0	33.7	20.5	39.6	29.8	34.1	42.5	34.4	21.7
School meals.....	170.7	229.0	292.3	241.8	278.0	306.1	310.6	369.8	382.7	418.3	503.7	415.4
Child welfare.....	7.1	7.1	8.1	9.8	12.3	13.4	14.1	18.5	27.1	30.4	38.3	43.0
Special OEO programs.....											51.7	287.3
Social welfare, not elsewhere classified.....	6.5	7.5	7.9	8.8	10.7	12.4	14.1	25.7	27.2	34.9	42.3	54.2
<i>State and local</i>												
Total other social welfare.....	367.3	408.8	441.6	571.4	617.6	722.8	891.7	884.6	1,022.3	1,095.6	1,248.6	1,304.1
Vocational rehabilitation.....	15.3	20.0	23.4	26.3	29.5	32.1	36.3	42.6	48.5	58.2	67.1	80.5
Medical services.....	3.5	4.2	4.7	5.6	6.2	6.6	7.6	8.3	9.9	11.9	13.0	15.5
Institutional care.....	155.0	185.0	195.0	295.0	325.0	400.0	550.0	520.0	635.0	650.0	750.0	745.0
School meals.....	69.0	65.4	71.7	83.6	90.5	92.6	94.9	93.9	97.1	103.3	113.7	122.0
Child welfare.....	128.0	138.4	151.6	166.5	172.6	198.1	210.4	228.1	241.7	284.2	317.8	356.5

TABLE 7-2.—Vocational rehabilitation: Program and administrative expenditures, fiscal years, 1929-66

[In thousands]

Expenditures	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41
	\$1,567	\$1,777	\$2,120	\$2,256	\$2,235	\$2,135	\$2,308	\$2,671	\$3,395	\$3,950	\$4,085	\$4,213	\$4,815
Total vocational rehabilitation..													
Program.....	1,490	1,700	2,043	2,186	2,176	2,080	2,248	2,603	3,319	3,862	3,992	4,108	4,711
Medical services.....	112	128	154	196	203	229	247	336	451	377	340	270	339
Administration ¹	77	77	77	71	59	55	60	68	76	88	93	105	104
Federal.....	742	816	1,010	1,069	1,058	971	1,092	1,298	1,589	1,879	1,926	2,077	2,386
Program.....	665	739	933	998	999	916	1,032	1,230	1,513	1,791	1,833	1,972	2,282
Basic support.....	665	739	933	998	999	916	1,032	1,230	1,513	1,791	1,833	1,972	2,282
Medical services.....	51	57	70	90	93	100	114	158	207	174	157	130	163
Administration ¹	77	77	77	71	59	55	60	68	76	88	93	105	104
State and local ²	825	960	1,110	1,187	1,178	1,164	1,216	1,373	1,806	2,071	2,159	2,136	2,429
Basic support.....	825	960	1,110	1,187	1,178	1,164	1,216	1,373	1,806	2,071	2,159	2,136	2,429
Medical services.....	61	71	84	106	110	129	133	178	244	203	183	140	176
	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54
Total vocational rehabilitation..	\$5,317	\$5,727	\$6,559	\$10,215	\$14,201	\$20,010	\$25,146	\$26,452	\$30,043	\$30,963	\$33,391	\$35,272	\$36,749
Program.....	5,205	5,630	6,372	9,856	13,749	19,313	24,569	25,819	29,347	30,273	32,689	34,583	36,105
Medical services.....	445	631	757	1,430	2,194	3,485	5,195	6,160	7,372	7,761	8,656	8,864	8,697
Administration ¹	112	97	187	359	452	697	577	633	696	702	689	644	
Federal.....	2,669	2,859	4,239	7,494	10,454	14,886	18,284	18,849	21,036	21,691	22,824	23,637	23,609
Program.....	2,557	2,762	4,052	7,135	10,002	14,189	17,707	18,216	20,340	21,001	22,122	22,948	22,965
Basic support.....	2,557	2,762	4,052	7,135	10,002	14,189	17,707	18,216	20,340	21,001	22,122	22,948	22,965
Medical services.....	218	309	484	1,030	1,602	2,579	3,740	4,374	5,087	5,355	5,886	5,850	5,392
Administration ¹	112	97	187	359	452	697	577	633	696	702	689	644	
State and local ²	2,648	2,868	2,320	2,720	3,747	5,124	6,862	7,603	9,007	9,272	10,567	11,636	13,140
Basic support.....	2,648	2,868	2,320	2,720	3,747	5,124	6,862	7,603	9,007	9,272	10,567	11,636	13,140
Medical services.....	227	322	273	400	592	906	1,455	1,786	2,285	2,406	2,770	3,014	3,305
	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66	
Total vocational rehabilitation..	\$42,408	\$56,318	\$66,501	\$77,780	\$86,922	\$96,345	\$109,015	\$128,634	\$148,543	\$182,431	\$210,458	\$298,552	
Program.....	41,561	55,268	65,350	76,448	85,460	94,728	107,020	126,392	146,101	179,631	207,351	295,000	
Medical services.....	9,123	11,028	12,692	14,982	16,668	17,745	20,443	22,492	26,000	31,200	34,200	47,964	
Medical research ³	339	1,222	2,051	3,713	4,746	6,600	8,718	10,955	12,830	20,317	22,369	27,876	
Administration ¹	847	1,050	1,151	1,332	1,462	1,617	1,995	2,242	2,442	2,800	3,107	3,552	
Federal.....	27,099	36,352	43,139	51,489	57,391	64,263	72,722	86,081	100,003	124,251	143,317	218,020	
Program.....	26,252	35,302	41,988	51,157	55,929	62,646	70,727	83,839	97,561	121,451	140,210	214,468	
Basic support.....	24,000	30,000	34,848	41,083	45,499	49,072	54,302	62,950	71,039	84,856	96,950	153,566	
Medical services.....	5,656	6,837	7,946	9,370	10,474	11,180	12,858	14,151	16,100	19,300	21,200	32,434	
Innovation and expansion grants ⁴	1,163	2,068	2,203	1,094	1,031	987	1,019	1,058	1,060	1,922	2,336	5,467	
Training.....	790	2,053	2,938	4,380	4,799	6,197	7,243	9,658	13,269	16,529	19,770	24,510	
Research (including medical):													
Research and demonstration.....	299	1,181	1,999	3,600	4,600	6,390	8,163	9,450	10,493	15,179	17,069	20,550	
Special centers.....								723	1,700	2,965	4,085	7,570	
Construction and improvement of workshops and facilities.....												2,805	
Administration ¹	847	1,050	1,151	1,332	1,462	1,617	1,995	2,242	2,442	2,800	3,107	3,552	
State and local ²	15,309	19,966	23,362	26,291	29,531	32,082	36,293	42,553	48,540	58,180	67,141	80,532	
Basic support.....	14,637	18,123	21,227	24,975	27,839	30,160	33,603	39,463	44,598	52,679	60,708	72,326	
Medical services.....	3,467	4,191	4,746	5,612	6,194	6,565	7,585	8,341	9,900	11,900	13,000	15,530	
Innovation and expansion grants ⁴	504	867	901	365	344	329	340	353	353	641	779	955	
Training.....	157	932	1,159	816	1,173	1,347	1,994	2,317	2,944	3,660	4,500	5,208	
Research (including medical).....	11	44	75	135	175	246	356	420	645	1,200	1,154	1,685	
Construction and improvement of workshops and facilities.....												358	

¹ On an obligations basis. Data for 1929-44 from Bureau of the Budget, *Budget of the United States Government*.⁴ Data refer to extension and improvement projects for 1955-64 and special expansion projects, 1955-57.² Administrative expenditures not available separately.³ Data from Resources Analysis Branch, Office of Program Planning, National Institutes of Health (from table 3-6). Federal data only.

Source: Department of Health, Education, and Welfare, Vocational Rehabilitation Administration, except where otherwise noted. Data for 1954-66 on obligations basis for all items except "Medical services."

TABLE 7-3.—Institutional care: Federal expenditures, fiscal years, 1929-66

[In thousands]

Fiscal year	Total institutional care expenditures	U.S. Soldiers' Home			The Naval Home	Surplus commodity distribution
		Total	Domiciliary care	Administration		
1928-29.	\$683	\$495	\$464	\$31	\$188	
1929-30.	676	470	440	31	206	
1930-31.	702	523	491	32	179	
1931-32.	653	474	442	32	179	
1932-33.	610	435	405	30	175	
1933-34.	659	508	490	18	151	
1934-35.	651	477	452	25	174	
1935-36.	1,511	529	503	27	182	\$800
1936-37.	1,425	544	518	26	181	700
1937-38.	1,114	527	500	27	187	400
1938-39.	2,029	536	507	29	193	1,300
1939-40.	2,396	502	473	30	194	1,700
1940-41.	2,016	579	547	32	273	1,164
1941-42.	2,839	593	558	35	1 273	1,973
1942-43.	3,892	761	718	43	1 273	2,858
1943-44.	11,364	826	772	54	1 273	10,265
1944-45.	7,859	854	790	63	1 273	6,732
1945-46.	2,961	921	857	65	263	1,777
1946-47.	4,248	1,151	1,077	74	341	2,756
1947-48.	15,628	1,894	1,812	82	336	13,398
1948-49.	15,736	1,964	1,873	90	383	13,389
1949-50.	20,453	1,650	1,539	111	389	18,414
1950-51.	20,443	1,503	1,378	125	448	18,492
1951-52.	9,415	2,147	2,001	146	475	6,793
1952-53.	19,348	2,224	2,069	155	548	16,576
1953-54.	52,608	2,995	2,820	175	560	49,053
1954-55.	40,330	4,394	4,182	212	525	35,411
1955-56.	46,580	2,322	2,088	234	555	43,703
1956-57.	29,863	2,746	2,512	234	589	26,528
1957-58.	36,983	2,804	2,384	2 420	600	33,579
1958-59.	33,656	3,002	2,753	249	800	29,854
1959-60.	20,512	4,055	3,792	262	709	15,748
1960-61.	39,602	4,930	4,623	307	683	33,989
1961-62.	29,835	3,253	2,923	330	708	25,874
1962-63.	34,068	4,201	3,858	344	815	29,052
1963-64.	42,496	4,238	3,865	373	791	37,467
1964-65.	34,435	3,745	3,704	3 40	872	29,818
1965-66.	21,710	3,839	3,800	3 39	902	16,969

¹ Data not available for wartime years; expenditures estimated at last reported figure.³ Includes only cleaning supplies; excludes salaries which are inseparable from domiciliary care.² Includes nonpensioner allowances and an insignificant amount of outdoor relief.

Source: Agency reports.

TABLE 7-4.—Institutional care: State and local expenditures, fiscal years, 1929-66

[In thousands]

Fiscal year	"Other public welfare" ¹	Less: Deductions ²	Net institutional care ³	Fiscal year	"Other public welfare" ¹	Less: Deductions ²	Net institutional care ³
1928-29.	\$74,000	.....	\$74,000	1947-48.	\$269,000	\$160,000	\$110,000
1929-30.	75,000	.....	75,000	1948-49.	330,000	214,000	115,000
1930-31.	76,000	.....	76,000	1949-50.	392,000	265,000	125,000
1931-32.	78,000	.....	78,000	1950-51.	414,000	282,000	130,000
1932-33.	86,000	.....	86,000	1951-52.	437,000	303,000	135,000
1933-34.	93,000	.....	93,000	1952-53.	454,000	322,000	130,000
1934-35.	95,000	\$26,000	70,000	1953-54.	486,000	338,000	150,000
1935-36.	96,000	26,000	70,000	1954-55.	517,000	361,000	155,000
1936-37.	98,000	35,000	65,000	1955-56.	571,000	386,000	185,000
1937-38.	101,000	48,000	55,000	1956-57.	612,000	418,000	195,000
1938-39.	104,000	46,000	60,000	1957-58.	759,000	463,000	295,000
1939-40.	107,000	45,000	60,000	1958-59.	825,000	499,000	325,000
1940-41.	113,000	44,000	70,000	1959-60.	946,000	545,000	400,000
1941-42.	119,000	42,000	75,000	1960-61.	1,132,000	584,000	550,000
1942-43.	122,000	46,000	75,000	1961-62.	1,587,000	1,065,000	520,000
1943-44.	125,000	50,000	75,000	1962-63.	1,853,000	1,219,000	635,000
1944-45.	152,000	79,000	75,000	1963-64.	2,062,000	1,414,000	650,000
1945-46.	179,000	86,000	95,000	1964-65.	2,391,000	1,640,000	750,000
1946-47.	224,000	116,000	110,000	1965-66.	2,701,000	1,957,000	745,000

¹ Data from Department of Commerce, Bureau of the Census, *Historical Statistics on Governmental Finances and Employment*, Vol. VI (Topical Studies), No. 4, *Census of Governments: 1962*, as reported or interpolated for 1929-50; *Summary of Governmental Finances, 1951-57*; *Governmental Finances, 1958* to date.² Derived by method described in text; rounded to nearest \$1 million.³ Beginning 1935, rounded to nearest \$5 million to offset the rather gross method of estimation.

TABLE 7-5.—School meals expenditures, fiscal years, 1939–66

[In thousands]

Fiscal year	Total expenditures	Federal expenditures							State and local expenditures: Direct appropriation	
		Total	Donated foods ¹	Cash and commodities ²	National School Lunch Act			Special milk	Administration	
					Regular cash apportionment	Special cash assistance	Food purchased ³			
1935–36	\$244	\$244	\$244	.....	.....	.....	.....	.....	.....	1934–35
1936–37	171	171	171	.....	.....	.....	.....	.....	.....	1935–36
1937–38	575	575	575	.....	.....	.....	.....	.....	.....	1936–37
1938–39	1,325	1,325	1,325	.....	.....	.....	.....	.....	.....	1937–38
1939–40	3,963	3,963	3,962	.....	.....	.....	.....	\$1	.....	1938–39
1940–41	13,711	13,711	13,119	.....	.....	.....	.....	592	.....	1939–40
1941–42	23,333	23,333	21,859	.....	.....	.....	.....	1,474	.....	1940–41
1942–43	23,365	23,365	17,563	\$975	.....	.....	.....	4,826	.....	1941–42
1943–44	34,400	34,400	670	33,729	.....	.....	.....	.....	.....	1942–43
1944–45	47,409	47,409	1,972	45,438	.....	.....	.....	.....	.....	1943–44
1945–46	57,124	57,124	572	56,552	4 \$69,549	.....	.....	.....	.....	1944–45
1946–47	100,260	79,644	2,312	.....	.....	.....	.....	\$5,735	\$2,048	1945–46
1947–48	117,102	88,050	19,341	.....	.....	.....	.....	13,438	1,323	1946–47
1948–49	131,774	96,356	21,550	.....	.....	.....	.....	14,475	1,579	1947–48
1949–50	160,197	121,197	38,505	.....	.....	.....	.....	16,684	1,487	1948–49
1950–51	166,038	119,561	34,836	.....	68,156	.....	.....	15,089	1,480	1949–50
1951–52	154,217	99,799	16,583	.....	66,294	.....	.....	15,590	1,332	1950–51
1952–53	191,869	134,707	51,724	.....	67,071	.....	.....	14,744	1,168	1951–52
1953–54	240,269	177,307	94,218	.....	67,177	.....	.....	14,826	1,086	1952–53
1954–55	239,648	170,658	70,306	.....	68,935	.....	.....	12,830	1,367	1953–54
1955–56	294,402	228,975	99,946	.....	66,826	.....	.....	14,802	45,842	1954–55
1956–57	363,975	292,304	131,972	.....	83,775	.....	.....	14,660	60,024	1955–56
1957–58	325,443	241,820	75,962	.....	83,708	.....	.....	14,802	65,141	1956–57
1958–59	368,441	277,963	66,822	.....	93,794	.....	.....	42,670	72,358	1957–58
1959–60	398,697	306,089	70,916	.....	93,647	.....	.....	61,109	78,000	1958–59
1960–61	405,511	310,568	71,623	.....	93,628	.....	.....	61,081	81,481	1959–60
1961–62	463,734	369,814	113,027	.....	98,703	.....	.....	69,074	86,132	1960–61
1962–63	479,757	382,681	120,971	.....	108,580	.....	.....	58,876	90,832	1961–62
1963–64	521,582	418,322	135,660	.....	120,810	.....	.....	59,270	99,250	1962–63
1964–65	617,411	503,729	212,949	.....	130,435	.....	.....	59,459	97,417	1963–64
1965–66	537,450	415,446	116,850	.....	139,090	\$1,873	.....	58,006	96,523	1964–65
										1965–66

¹ Value of surplus commodities donated under Section 32, Public Law 320, of August 24, 1935, and of price-supported commodities donated by Commodity Credit Corporation under Section 416 of Agricultural Act of 1949.

² Cash payments and cost of food purchased from surplus food appropriation and charged to school lunch limitation.

³ Value of foods purchased under Section 6 of National School Lunch Act of 1946.

⁴ Includes \$9.7 million of single-time Federal cash payments for purchase of equipment, etc.

Source: Department of Agriculture, Consumer and Marketing Service, periodic reports.

TABLE 7-6.—Child welfare services: Program and administrative expenditures, fiscal years, 1935–66

[In thousands]

Fiscal year	Total child welfare services	Federal expenditures				Administration	State and local expenditures ¹		
		Total	Program		Research and demonstration				
			Total	Child welfare services					
1934-35.....	\$26,000	.....	.....	.....	.....	.....	\$26,000
1935-36.....	26,117	\$117	\$85	\$85	.....	\$32	26,000	
1936-37.....	35,410	910	851	851	.....	59	34,500	
1937-38.....	47,582	1,382	1,312	1,312	.....	70	46,200	
1938-39.....	46,401	1,601	1,527	1,527	.....	74	44,800	
1939-40.....	44,962	1,562	1,492	1,492	.....	70	43,400	
1940-41.....	43,586	1,586	1,524	1,524	.....	62	42,000	
1941-42.....	42,115	1,615	1,554	1,554	.....	61	40,500	
1942-43.....	46,151	1,551	1,496	1,496	.....	55	44,600	
1943-44.....	50,191	1,491	1,473	1,473	.....	18	48,700	
1944-45.....	55,478	1,378	1,365	1,365	.....	13	54,100	
1945-46.....	60,691	1,291	1,276	1,276	.....	15	59,400	
1946-47.....	79,307	1,907	1,852	1,852	.....	55	77,400	
1947-48.....	98,468	3,168	3,077	3,077	.....	91	95,300	
1948-49.....	101,889	3,889	3,749	3,749	.....	140	98,000	
1949-50.....	104,898	4,198	4,046	4,046	.....	152	100,700	
1950-51.....	108,423	5,023	4,858	4,858	.....	165	103,400	
1951-52.....	113,442	7,335	7,117	7,117	.....	218	106,107	
1952-53.....	120,537	7,613	7,409	7,409	.....	204	112,924	
1953-54.....	126,194	7,199	6,989	6,989	.....	210	118,995	
1954-55.....	135,108	7,110	6,884	6,884	.....	226	127,998	
1955-56.....	145,572	7,146	6,933	6,933	.....	213	138,426	
1956-57.....	159,731	8,135	7,908	7,908	.....	227	151,596	
1957-58.....	176,352	9,822	9,541	9,541	.....	281	166,530	
1958-59.....	184,844	12,291	11,940	11,940	.....	351	172,553	
1959-60.....	211,460	13,396	13,024	13,024	.....	372	198,064	
1960-61.....	224,536	14,090	13,695	13,695	.....	395	210,446	
1961-62.....	246,597	18,457	18,030	17,811	\$219	427	228,140		
1962-63.....	268,785	27,077	26,625	26,120	505	452	241,708		
1963-64.....	314,612	30,444	29,980	28,806	1,174	464	284,168		
1964-65.....	356,083	38,262	37,702	34,182	3,520	560	317,821		
1965-66.....	399,533	42,993	42,383	39,684	2,699	610	356,540		

¹ Administrative expenses not available separately.

Source: Department of Health, Education, and Welfare, Welfare Administration, Children's Bureau.

TABLE 7-7.—Special OEO (Office of Economic Opportunity) programs: Federal expenditures, fiscal years, 1965-66

[In thousands]

Program	1964-65	1965-66
Total.....	\$51,734	\$287,319
Community action program ¹	44,244	246,495
Migrant workers program.....	1,116	16,924
Volunteers in service to America (VISTA).....	1,393	13,767
Administration.....	4,981	10,133

¹ Excludes Head Start.Source: Data from Bureau of the Budget, *Budget Appendix*.

TABLE 7-8.—Social welfare, not elsewhere classified: Federal expenditures, fiscal years, 1940–66

[In thousands]

Fiscal year	Total expenditures	Salaries and expenses, Secretary of HEW ¹	Indian welfare and guidance services ²	Aging activities ³			Cooperative research in social security ⁴	Juvenile delinquency activities ^{2,5}	Resettlement of Cuban refugees ⁶	Salaries and expenses, Commissioner of Welfare	Manpower activities ⁷
				Total	Grants	Other					
1939–40	\$855	\$855	.....	.....	.....	.....	.....	.....	.....	.....	.....
1940–41	2,286	2,286	.....	.....	.....	.....	.....	.....	.....	.....	.....
1941–42	5,314	4,231	\$1,083	.....	.....	.....	.....	.....	.....	.....	.....
1942–43	4,492	3,598	894	.....	.....	.....	.....	.....	.....	.....	.....
1943–44	4,083	3,383	700	.....	.....	.....	.....	.....	.....	.....	.....
1944–45	1,960	1,375	585	.....	.....	.....	.....	.....	.....	.....	.....
1945–46	2,732	2,267	465	.....	.....	.....	.....	.....	.....	.....	.....
1946–47	1,805	1,353	452	.....	.....	.....	.....	.....	.....	.....	.....
1947–48	2,471	1,419	1,052	.....	.....	.....	.....	.....	.....	.....	.....
1948–49	5,019	3,027	1,992	.....	.....	.....	.....	.....	.....	.....	.....
1949–50	7,075	3,777	3,298	.....	.....	.....	.....	.....	.....	.....	.....
1950–51	5,996	3,676	2,320	.....	.....	.....	.....	.....	.....	.....	.....
1951–52	5,548	3,277	2,271	.....	.....	.....	.....	.....	.....	.....	.....
1952–53	5,972	2,974	2,998	.....	.....	.....	.....	.....	.....	.....	.....
1953–54	6,260	3,299	2,961	.....	.....	.....	.....	.....	.....	.....	.....
1954–55	6,478	3,258	3,220	.....	.....	.....	.....	.....	.....	.....	.....
1955–56	7,508	3,796	3,712	.....	.....	.....	.....	.....	.....	.....	.....
1956–57	7,892	3,959	3,933	.....	.....	.....	.....	.....	.....	.....	.....
1957–58	8,842	4,310	4,532	.....	.....	.....	.....	.....	.....	.....	.....
1958–59	10,715	5,243	5,419	\$53	.....	\$53	.....	.....	.....	.....	.....
1959–60	12,421	5,200	6,030	1,191	.....	1,191	.....	.....	.....	.....	.....
1960–61	14,145	5,725	6,877	729	.....	729	\$96	\$200	\$518	.....	.....
1961–62	25,675	6,391	8,157	461	.....	461	363	6,523	3,780	.....	.....
1962–63	27,241	6,819	8,881	543	.....	543	605	4,234	3,667	\$552	\$1,940
1963–64	34,880	7,485	10,957	621	.....	621	832	5,411	2,153	837	6,584
1964–65	42,253	8,222	13,028	668	.....	668	984	9,990	1,290	914	7,157
1965–66	54,236	9,710	13,658	2,191	\$1,331	860	818	5,025	4,525	1,123	17,186

¹ Represents administrative expenses of the Office of the Secretary of Health, Education, and Welfare (for 1940–52, of the Administrator, Federal Security Agency), including the Offices of Comptroller, Field Administration, and General Counsel. Excludes defense community facilities and services; sums payable from the old-age and survivors insurance trust fund, Bureau of Federal Credit Unions operating fund, and Food and Drug Administration revolving fund; vocational rehabilitation; and liquidation expenses of the Civilian Conservation Corps and National Youth Administration.

² Obligations.

³ Represents expenses of the Administration on Aging, 1965–66; Office of Aging, 1962–64; President's Council on Aging, 1960–65; 1961 White House Conference on Aging, 1960–65, including technical assistance to States in preparation for the conference and grants to States to hold preparatory State Conferences on Aging. Beginning 1965–66, grants to States for community planning for the aged, services and training, and research and demonstration projects in the aging field. Data for President's Council on Aging and for Office of Aging represent obligations.

⁴ Includes demonstration projects. Represents expenses for that part of cooperative programs administered by Welfare Administration, allocated on basis of obligations data supplied by Welfare Administration.

⁵ Represents programs of the Children's Bureau, Office of Juvenile Delinquency and Youth Development, and the President's Committee on Juvenile Delinquency and Youth Crime (Departments of HEW, Justice, and Labor). Includes grants for research and demonstration projects; excludes grants for training of personnel.

⁶ Represents contractual per capita fees to private agencies plus their reimbursed expenditures.

⁷ Represents manpower and automation research and executive direction, 1963; manpower administration operation, 1964; expenses, Office of Automation and Manpower and Office of Manpower Administration, 1964–66; and special study on discrimination in employment because of age, 1965–66. Data for Office of Automation and Manpower (1964) and for the discrimination study (1966) are expenditures (obligations not available); all other data are program costs, funded.

Source: Unless otherwise noted, U.S. Budget.

ORS RESEARCH REPORTS

This monograph is the most current of the 25 Research Reports published in recent years by the Office of Research and Statistics, Social Security Administration, U.S. Department of Health Education, and Welfare. Reports numbered 1, 2, and 5 through 25 are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, at the prices indicated. Reports 3 and 4 are available in limited quantities from the ORS Publications Staff, 330 C Street, S. W., Washington, D.C. 20201.

#1—*Slums and Social Insecurity*. 50 cents.

#2—*Independent Health Insurance Plans in the United States: 1961*. 25 cents.

#3—*Income Security Standards in Old-Age*.

#4—*Blue Cross-Blue Shield Nongroup Coverage for Older People*.

#5—*Employment and Earnings of Self-Employed Workers Under Social Security*. 20 cents.

#6—*The Disabled Worker Under OASDI*. \$1.25.

#7—*Social Security and Social Services in France*. 35 cents.

#8—*Age and the Income Distribution*. 25 cents.

#9—*The Retirement Decision: an Exploratory Essay*. 30 cents.

#10—*The Extent of Health Insurance Coverage in the United States*. 30 cents.

#11—*Insured and Disabled Workers Under the Social Security Disability Program: Characteristics and Benefit Payments—1957-1963*. 20 cents.

#12—*Financial Experience of Health Insurance Organizations in the United States*. 30 cents.

#13—*Old-Age and Sickness Insurance in West Germany in 1965*. 25 cents.

#14—*Sweden's Social Security System*. 50 cents.

#15—*State and Local Government Retirement Systems . . . 1965*. 30 cents.

#16—*Widows with Children Under Social Security*. 35 cents.

#17—*Independent Health Insurance Plans in the United States—1965 Survey*. 35 cents.

#18—*Interindustry Labor Mobility in the United States—1957 to 1960*. \$1.

#19—*The Aged Population of the United States: the 1963 Social Security Survey of the Aged*. \$1.25.

#20—*Some Economic Effects of Seasonality in OASDHI Tax Payments*. 25 cents.

#21—*Employment After Retirement: A Study of the Postentitlement Work Experience of Men Drawing Benefits Under Social Security*. 25 cents.

#22—*Lifetime Allocation of Work and Leisure*. 25 cents.

#23—*Retirement Systems for Employees of State and Local Governments, 1966: Findings of a Survey of Systems Whose Members Were Not Covered Under the OASDHI Program*. 40 cents.

#24—*The Economic Status of the Retired Aged in 1980: Simulation Projections*. 30 cents.

The following Research Reports and unnumbered ORS publications are in press and are scheduled for release in 1968 or early 1969:

Reimbursement Incentives for Hospital and Medical Care: Objectives and Alternatives

The Role of Social Security in Economic Development

Social Security Programs in the United States (an updated edition reflecting the most recent program changes)

Workers Under Social Security, 1960 (formerly the *Handbook of Old-Age, Survivors, and Disability Insurance Statistics*)

Geographic Labor Mobility in the United States—1957 to 1960







CMS LIBRARY



3 8095 00014824 3